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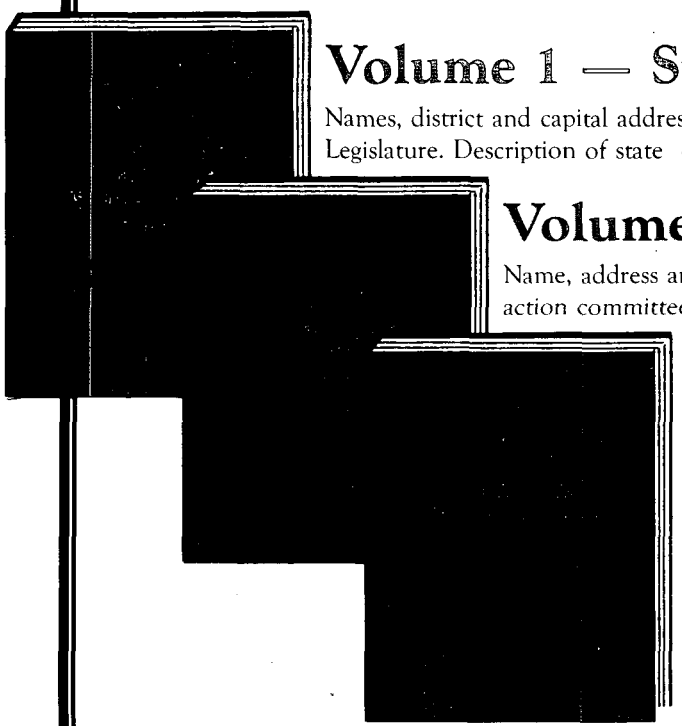

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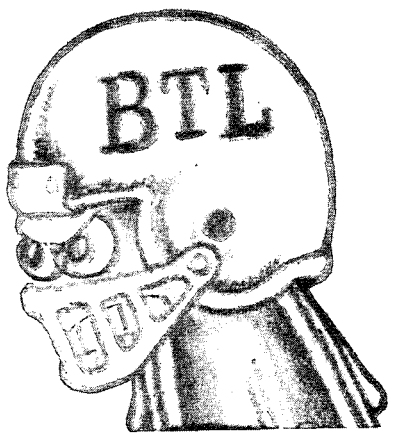

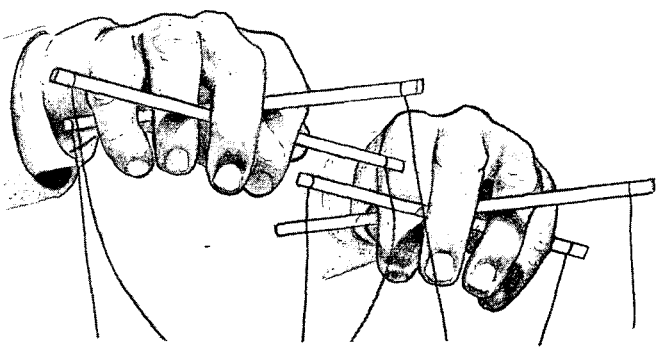

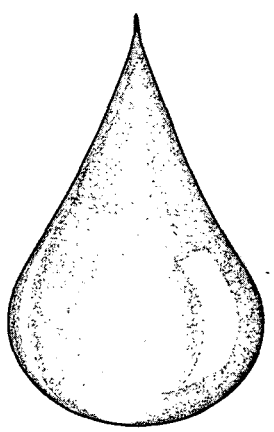

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UP FRONT

Capital stadium-a-thon. Remember the four-way brawl last year among California cities trying to lure the Los Angeles Raiders (see "Sports mania," *CJ*, November 1989)? Remember the package of incentives and bribes bundled together by Sacramento developer Gregg Lukenbill? Lukenbill's total deal, worth about half-a-billion dollars to the Raiders, included construction of a private stadium to be built by Lukenbill and his partners. The city and county of Sacramento were asked to pony up a $50 million "franchise fee" (read: bribe) to be given to the Raiders and to be financed by bonds paid off with taxes on revenues generated by the stadium. It was supposed to be a great deal for Sacramento: Get a stadium *and* a pro football team for a paltry $50 million, plus interest. At the time, some Sacramentans expressed reservations about spending that much on a fancy urban toy, but Lukenbill browbeat city officials into believing that the Raiders were important to Sacramento's image. Don't quibble over this $50 million, he warned the city council, approve it fast and approve it unanimously or the Raiders might go elsewhere.

The Raiders, of course, went elsewhere anyway — but that's another story.

Meanwhile, Lukenbill plunged ahead with plans to build his stadium, *sans* team. Only, he stumbled into a Catch-22: Without a team, he hasn't found anyone willing to finance construction of a stadium; and without a stadium, no team has been willing to commit to Sacramento. Lukenbill himself doesn't have the $90 million or so needed to finish the project. So, he staged a half-hour beg-a-thon over a Sacramento television station on July 12th, asking Sacramentans to send him between $250 and $1250 each to help finish the facility. For their money, locals would be given first dibs on season tickets in the stadium — when and if it's finished and when and if some baseball or football team decides to play there. Donors would also have their names chiseled into a "wall of dreams" near the stadium's entrance. Lukenbill calls this payment a "reservation fee" (read: gift). As he did with the city council, Lukenbill played to local anxiety over major league sports, hinting that a lot of contributions to his stadium at a time when major league baseball and football are considering expansion would show sports poobahs that Sacramento is willing to support a franchise.

"If we don't get that support," he warned, "I think we'll be hurt."

Lukenbill needs to define "we." If the stadium isn't built, it will be local developers — Lukenbill among them — who will be most hurt. You see, land north of the stadium is prime for development, but according to Sacramento planning officials, no one will get a permit to build there until the stadium is 50 percent completed. Lukenbill and his partners own sizeable chunks of that land, as do other developers. Currently, at least one major development — not Lukenbill's — is stymied partly because of the stadium.

Frank Casado, the Hollywood restaurateur who catered to politicians, show biz celebrities and just plain folk at his "El Adobe Cafe," died recently of cancer at age 66 (see "California's political restaurant," *CJ*, December 1981). His passing was marked by an emotional farewell at St. Vibana's Church in downtown Los Angeles where singer Linda Ronstadt sang the Ave Maria. Former Governor Jerry Brown, whose romance with Ronstadt blossomed at the El Adobe, delivered the eulogy. Pallbearers included actor John Candy and songwriters Jimmy Webb and J.D. Southern.

Casado, who grew up in the Boyle Heights area of Los Angeles, would have loved the motorcade which wound through his old stomping grounds. With 11 black limos in front, it was longer than those assembled for the president of the United States.

But Casado was more than a restaurateur. He was a co-founder of the Mexican-American Political Association and, in many ways, he symbolized the growth of Latino political power in California. His friendships — and customers — cut across party lines. Kansas Senator Robert Dole, Governor George Deukmejian, Attorney General John Van de Kamp and Assemblyman Tom Hayden are among those who raised money at El Adobe. Republican consultant Stu Spencer and a Democratic counterpart, Joe Cerrell, were among Casado's friends. Casado is survived by his wife and partner — Lucy Casado. A scholarship fund is being established in his name.

(Dan Blackburn, Los Angeles)

Washingtonian, a magazine that focuses on comings and goings around the nation's capital, has published a "Best and Worst of Congress" as decided by a poll of congressional staffers. Several Californians are among the honorees. For instance, in the Senate, Democrat Alan Cranston won in two categories: "Headed for the Hall of Shame" and "A Real Goner." In the House, Sacramento Democrat Vic Fazio also was a two-time winner: "Tireless Toiler" and "A Real Comer." Democrat Nancy Pelosi of San Francisco was named "Best Dinner Companion," while Democrat Ron Dellums of Berkeley received the "Dapper and Cool" award. Finally, Democrat Glenn Anderson of San Pedro, head of the House Public Works and Transportation Committee, took top honors as "Worst Committee Chairman." Poll results were carried in the magazine's July issue.

Stunning coincidence department. A week after Senator John Garamendi won the primary for insurance commissioner, the Senate Rules Committee, controlled by his fellow Democrats, created a "Senate Select Committee on the Department of Insurance as a Consumer Agency" (whew!), and named Garamendi chairman. There is, of course, already a Senate standing committee on Insur-

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ance, Claims and Corporations. "I have consulted with legislative counsel, which finds this work legitimate ..." Yeah, right, sure. See if you can find the last time the legislative counsel didn't find the activities of a legislator legitimate.

Too much ethics'll kill ya, man, so let's not let this reform stuff get out of hand. The vote-counting machines hadn't even cooled off when a group of powerful senators met in secret to — you guessed it — kill a bill that would have expanded the state's open-meeting laws. The June 6th meeting was held one day after voters approved Proposition 112 — a measure that, among other things, calls for all legislative meetings to be held in the open.

The Senate leadership maintains that its "screening group," which consists of Democrats David Roberti, Barry Keene, Alfred Alquist and Robert Presley and Republican Robert Beverly, doesn't really have any power and only makes recommendations on which bills placed on the Senate Appropriations Committee "suspense" file should actually come up for a vote. But another odd thing — bills that don't make the list never come up for a vote at all. The suspense file is supposed to contain all bills with costs of more than $150,000, or just about every measure of any substance.

Presley, who is the chairman of Appropriations, said the committee killed the bill because the members just felt "that enough [reforms] had been done under Proposition 112 for the time being."

Let me tell you something about the spirit of the law. Make the rule, and those of us running for public office will comply with the rules. But don't suddenly tell us you want us to comply with the spirit of the rule. Make the rule, and then if I comply with the rule, let me be.
— Willie Brown Jr.

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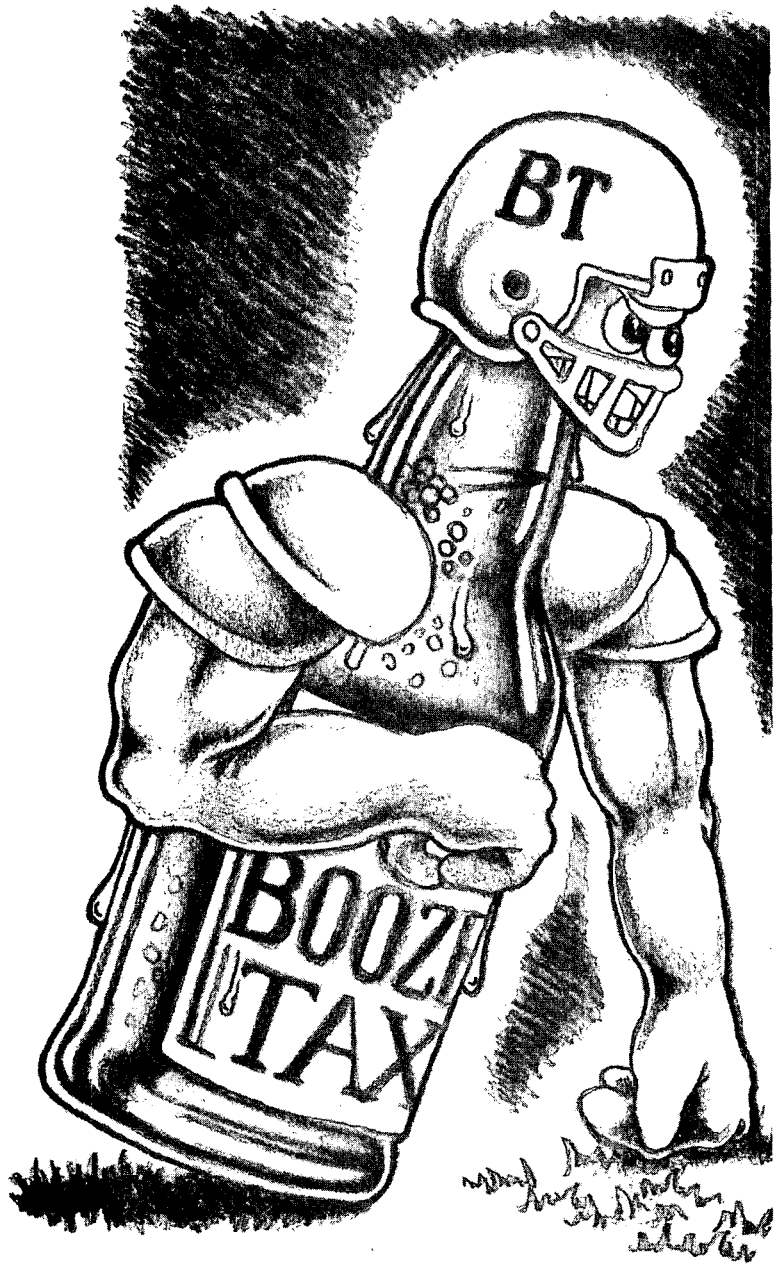

Illustration by Pierre Babasin

BALL

Industries seek tc environmer

By Kathy Z

After years of frustration over the failure of California's Legislature and governor to buck the powerful alcohol, pesticide and timber companies, environmentalists and consumer groups this year launched an all-out assault by placing three sweeping initiatives on the November ballot.

But the industries are not willing to be easily defeated and have fired back with their own ballot measures that critics say are designed to muddy the reform waters and confuse voters.

"The current way for special interests to stave off reforms proposed by citizens is not to debate the issues but to put on measures that will be smokescreens or diversion tactics," says Jim Wheaton, executive director of California Common Cause, a 55,000-member non-profit, non-partisan public-interest citizens' lobby. "The special interests cannot make a credible case against the reforms alone, so instead they provide confusing alternatives."

The industries counter that they are only protecting their existence and the jobs of thousands of Californians that would be lost if voters embrace the initiatives they believe are ill-conceived. They also resent the attempt by outsiders to reform or heavily tax their businesses.

Kathy Zimmerman McKenna is the Sacramento correspondent for the Oakland Tribune.

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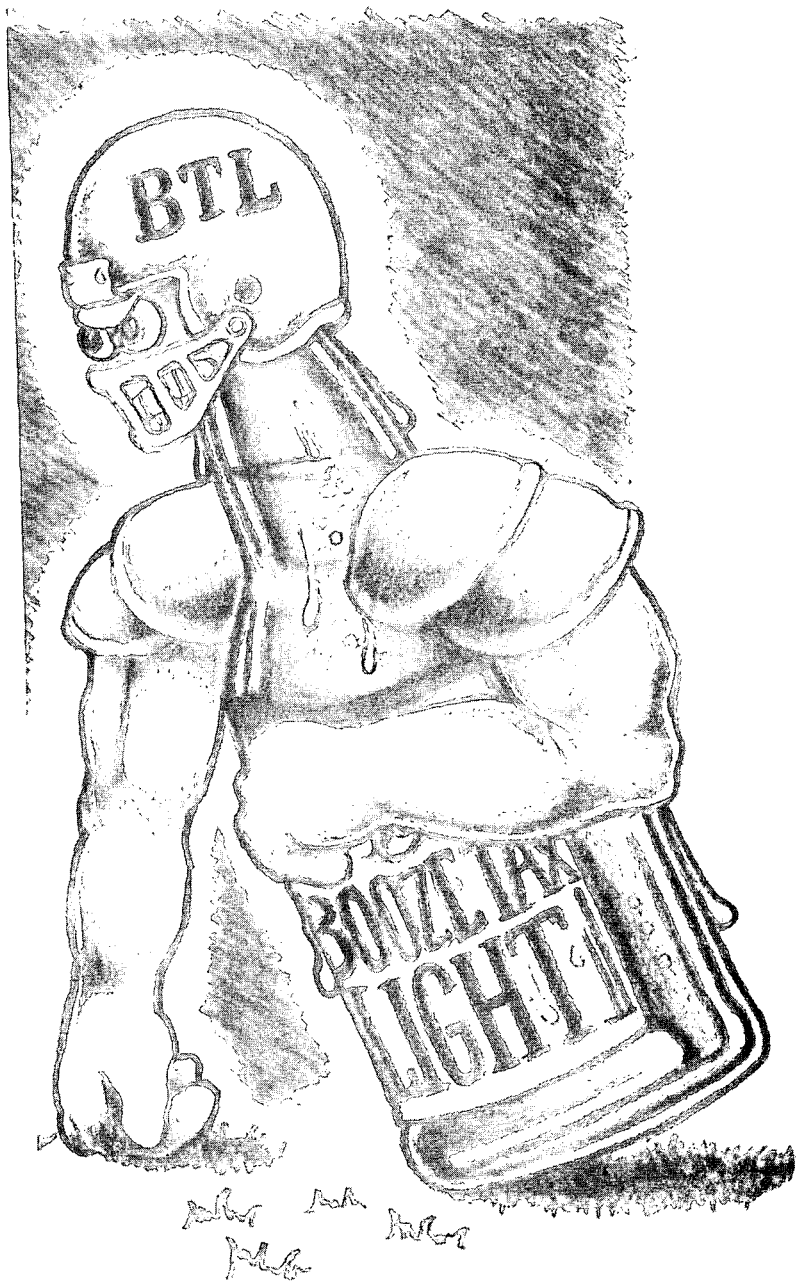

The Novem ber line-up includes these battles:

• Big Brown v. Big Green: The agricultural industry has qualified a Calif ornians For Responsible Food Laws (CARE-FUL) initiative -- dubbed "Big Brown" by environmentalists to counter t heir own sweeping "Big Green" initiative — which, among other provisions, would eliminate by 1996 all food pesticides known to cause cancer or reproductive harm.

• Forests F orever v. Big Stump: Alarmed over another provision in Big Green which would protect old-growth redwoods and the even more threatening "Forests Forever" initiative banning the clear-cutting of forests and authorizing a $742 million bond sale, the timber industry qualified its own Californians for New Forestry ballot initiative, dubbed "Big Stump" by opponents.

• Alcohol i ndustry v. a coalition of health, law enforcement and cons umer groups: The alcohol industry had enough clout th at it didn't even have to go the initiative route. Instead, i t just went to the Legislature for help. Lawmakers obli ged by approving ACA 38, a proposed constitutional amen dment for the November ballot, which would raise exc se taxes on beer, wine and distilled spirits, but to a much s maller degree than the initiative backed by the health, consumer and law enforcement coalition.

Just to be safe, though, the alcohol industry also has contributed $2 million to yet another initiative — the so-called Jarvis II —- expected to qualify for the November bal-

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lot. This measure contains what critics call a "poison pill" clause, which would nullify any tax increase that earmarks funds for a specified use unless approved by two-thirds of voters — including the tax increase in the alcohol initiative, even if it passes and gets more votes than Jarvis II but less than a two-thirds majority.

"They're [the alcohol industry] like spoiled children," says Andrew McGuire, executive director of the Trauma Foundation at San Francisco General Hospital, who chairs the nickel-a-drink campaign. "When you get your way and the Legislature is under your influence for half a century, it's a real shock that someone would try to tax your industry."

McGuire says he's been trying for over a decade to raise the alcohol tax.

"In 1981 I tried to get legislation passed for a nickel-a-drink tax increase applied just to bars and restaurants that would sunset in one year with money going to fund drunk-driving-prevention programs. It didn't even get out of the first committee," says McGuire.

The alcohol industry's influence in the Legislature has been so great that California's per-gallon wine tax is the lowest in the nation at one-cent and hasn't been raised since 1937. The beer tax at four cents a gallon was last raised in 1959. The distilled spirits per gallon tax was last raised in 1967 and stands at $2.

The nickel-a-drink ballot measure proposes to raise the beer tax to 57 cents a gallon, the distilled spirits tax to $8.40 a gallon and the wine tax to $1.29 for dry varieties and $2.15 for sweet varieties.

ACA 38 would raise the excise tax on beer and distilled spirits to the national average, at 20 cents and $3.30, respectively; but bowing to California's influential wine industry, the wine tax would increase to only 20 cents. The national average for wine is $1.05 per gallon.

The nickel-a-drink initiative would raise $730 million annually and earmark the money for alcohol treatment and recovery programs, law-enforcement crackdowns on drunk driving, mental-health programs and hospital emergency rooms.

ACA 38 would generate $200 million a year, with proceeds slated for the general fund — but with the intention they be spent on education, law enforcement and drug-related programs.

Excise taxes are collected from beer, wine and liquor producers and from wholesalers who import alcoholic beverages.

"We will spend millions," acknowledges Rick Manter, manager of the industry's campaign against the nickel-a-drink initiative.

Manter says the industry plans to highlight a so-called "escalator clause" in the nickel-a-drink initiative which he says will force the state to spend billions more each year on social programs it now funds on top of the money the tax would generate for alcohol prevention and treatment expenditures.

"Once you start requiring monies to go to social programs, there's an endless appetite for additional taxes," contends Manter. "Every taxpayer is going to end up footing the bill for this nickel-a-drink tax — not just drinkers."

The so-called escalator clause refers to a sentence in the initiative that seeks to assure any new alcohol-related programs aren't used to supplant existing funding for alcohol prevention and treatment programs but instead will go to support program additions. It is similar to protection language the sponsors of the 1988 tobacco tax included in their successful initiative.

Manter adds that he expects "loud extensive debate" on the alcohol tax measures. "The problem we're all facing is 13 initiatives have qualified for the ballot," he adds. "It's going to be hard to break through all the clutter. It's going to be a free-for-all for good [TV] air time."

He acknowledges the industry has a tough row to hoe. "I think people are going to be somewhat skeptical, look hard at our claims," he says. "It's an issue with any industry campaign. We think for now it's very important that we just encourage people to read the nickel-a-drink initiative and study it." To that end, the industry has begun broadcasting commercials that encourage potential voters to call a toll-free number and order a copy of the initiative measure.

Noting the alcohol industry is focusing its efforts on defeating the nickel-a-drink measure and not on passing its own tax proposal, Assemblyman Lloyd Connelly, a Sacramento Democrat, contends ACA 38's whole purpose is "to divide voters who support an increase in the alcohol tax. It's the classic divide and conquer strategy."

Environmentalists say they too were forced to seek reforms via initiative.

"Most of what's in the Big Green initiative is stuff the chemical companies or oil companies managed to kill in the Legislature or get the governor to veto," says Michael Paparian, state director of Sierra Club, which is supporting Big Green and Forests Forever.

"We tried the legislative route and were unsuccessful. The environmental problems we're facing are enormous and require bold actions. It was decided in the early part of this century that people in California have the right to use the initiative process."

Big Green — an all-encompassing environmental initiative taking on everything from global warming to oil-spill clean-up, drafted by Attorney General John Van de Kamp and Democratic Assemblyman Tom Hayden of Santa Monica — also would transfer regulation of pesticides from the Department of Agriculture to the Department of Health Services and create an environmental advocate position.

Bob Vice, president of the 85,000-member California Farm Bureau Federation and chairman of the CAREFUL counter initiative campaign, says Big Green is a "politically driven" initiative that was devised solely to try to advance

Advertisement

OUR QUOTES WEAR WELL

By KEN HOOVER

SACRAMENTO (UPI) An angry Assembly Speaker Willie Brown denied Tuesday he told the League of Women Voters it should "stay in the kitchen where it belongs," and he denounced reporters who said he did.

The comment supposedly was made during a speech on March 16 at a women's conference in Ontario.

It was reported in "Political Pulse," a Sacramento newsletter widely circulated among political insiders and the press and was picked up by newspapers around the state.

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Van de Kamp's and Hayden's aspirations for higher office.

He concedes his CAREFUL initiative would not be on the ballot if Big Green had not qualified. "It probably wouldn't have been necessary to have anything on the ballot like CAREFUL if it wasn't for a lot of good present laws being thrown out by the Hayden initiative. You have environmental groups telling people how farmers should raise food." Vice says agriculture and chemical companies will stress that Big Green will raise the cost of food and force some farmers out of business.

Bob Mulholland, campaign manager for Big Green, expects the chemical companies and agricultural interests to spend $16 million against his initiative compared to the $2 million to $3 million he hopes to spend.

"We're relying on smart voters, the Hollywood community, which is going to give us a lot of visibility, and the press to tell voters to look closely at the ballot measures," says Mulholland. "It will be the East Coast chemical companies against California voters. The authorship is key here. It's legislators and environmentalists against pesticide and agricultural interests."

He also notes that agricultural and chemical companies complained that Proposition 65, the toxics initiative, would drive 70 percent of California agriculture out of the state. "It's fertilizer. They're crying wolf again," says Mulholland.

Vice notes, however, that much of Proposition 65 has been tied up in the courts and that all of its ramifications have yet to be felt.

The timber industry maintains its Californians for New Forestry initiative would ban clear-cutting of old growth forests, but environmentalists say the measure would still allow the practice as long as one tree per acre is left standing.

Forests Forever says the timber industry initiative is "a massive fraud" devised to protect the status quo. The timber industry contends the Forests Forever initiative is so restrictive it would virtually put lumber companies out of business. The industry contends Forests Forever would reduce the state gross product by $10.6 billion and result in a loss of 171,250 timber-related jobs.

"I think voters will recognize our measure provides a balanced approach and it's important to take care of people, too," says Californians for New Forestry campaign manager Chuck Cavalier.

What lies ahead in the evolution of California's initiative process, some fear, is the possibility the industries will turn pro-active instead of reactive.

"Most of the special interests see their ability to buy or rent legislators as being taken away with what campaign reform Proposition 73 did accomplish," says Common Cause's Wheaton. "They may start trying to buy laws they want through the initiative process. So far they haven't initiated things themselves. They've just been responsive."

The Farm Bureau's Vice says some reforms to the initiative process are warranted. "The initiative process is a nice outlet for when the Legislature doesn't move on something, but by the same token we've got to figure out some way to revise it," says Vice. "You can get the required signatures on almost any wacky thing.

"You can tell people a couple of lines [from the initiative] and get them to sign anything and qualify it for the ballot. Is that good public policy? I don't think so. I'm not saying it should be thrown out, but we need to review how we do it."

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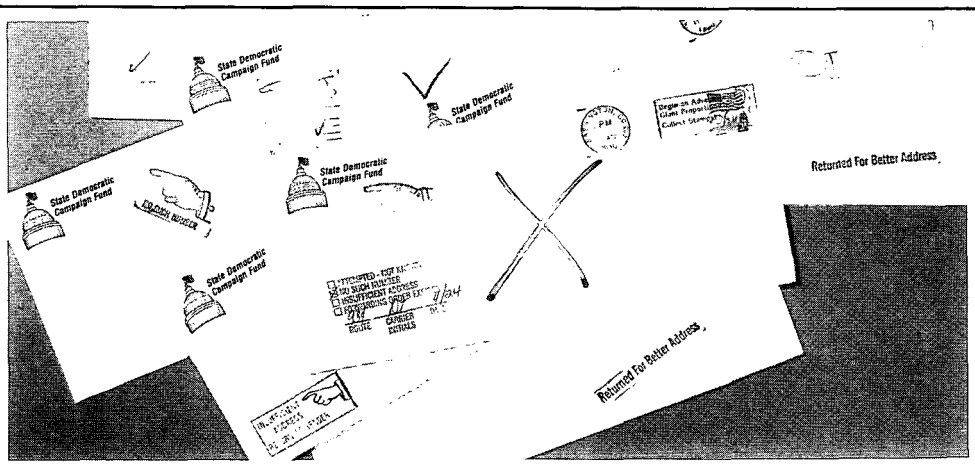
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Hayes vs. Brown

How political should the treasurer be?

By Richard Zeiger

Just how political should the state treasurer be?

The way the voters answer that question may determine if appointed incumbent Tom Hayes stays on the job, or his Democratic challenger, Kathleen Brown, takes over.

Hayes believes that voters don't care about political strengths when it comes to investing their money, and he'll be delighted if, on election day, it comes down to the way he wants the question phrased: "It's going to be a financial manager verses a politician."

"She obviously believes that you should have a politician in this office. I think you ought to have a financial manager. And we will be pushing very hard to make sure people understand the differences and the price that you pay for the differences," notes Hayes.

But to Brown, who grew up on politics as the daughter of one governor and the sister of another, the voters of California will pay a price if they don't elect someone who is more than a pencil-pusher.

"The treasurer is not a civil servant's position. It is an elected office. You have got to understand the lay of the land," she argues. "It's about cash and fiscal management. But it's also a job where you can't stay in the vault."

The 1990 election marks the first time California voters have been able to argue the question of politics and the state treasury. It is the first time a treasurer has been elected in a contested contest since 1982.

Unruh transformed the job of state treasurer during his 13 years in the post, just as he had transformed the office of Assembly speaker when he held that job. Before Unruh's arrival, there was little doubt that the treasurer was little more than a banker of the state's money who received the cash, invested it among a limited range of choices and sold bonds.

But Unruh changed all that. Under his tenure the state established an array of bond-issuing agencies that operated almost autonomously under his office. His power was also felt in the two big retirement plans — PERS, the Public Employees Retirement System; and STRS, the State Teachers Retirement System — which between them invest billions of dollars each year. The clout of those funds was felt on Wall Street where Unruh became one of the more powerful investment figures. And Unruh — again as he had in the Assembly — figured out how those who do business with the treasurer's office could be convinced it was also in their interests to support Unruh at election time. Indeed, by the 1986 election Unruh had amassed some $2 million in his campaign account, an amount large enough to deter Republicans from running anyone against him and to set off a substantial squabble over who would get the proceeds after Unruh died.

Unruh's legacy made the office a prize worth fighting over. Governor George Deukmejian first selected then-Congressman Dan Lungren for the job. He was a young, bright, attractive conservative Republican with a bright future in California politics. In fact, Lungren's future was too bright for many Democrats and, as a result, his nomination as treasurer was killed in the state Senate. Lungren is now the Republican nominee for attorney general.

For his next choice, Deukmejian picked someone who would be virtually impossible for the Legislature to reject. Tom Hayes was the Legislature's own employee, holding the non-partisan position of auditor general where he had built a reputation for quiet, firm and fiercely independent evaluations of various state agencies.

Competent, but low-key, Hayes at first got most of his criticism from Republicans, who felt such a job should go to someone with solid party credentials. Hayes wasn't even

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registered in the party at the time he was nominated. His lack of credentials drew notice from the party faithful, and he had to face Angela "Bay" Buchanan, sister of conservative columnist Pat Buchanan, in the Republican primary. Hayes raised substantially more money than his opponent, did some television advertising mostly in Southern California, and won the primary by 8 percent.

Brown, who did not advertise before the primary, had to beat Compton municipal treasurer Wesley Sanders in the primary. Sanders had almost no campaign at all, but still collected 35 percent of the vote.

A post-primary *Los Angeles Times* poll had Hayes and Brown nearly dead even, with half the electorate undecided about the election.

It's unlikely that Hayes can run the same way he did in the primary, where the basic strategy was to lay low, stay away from his opponent, buy some television in the last weeks and hope that Buchanan would not catch him. With Brown, he will probably need to be more aggressive. He is getting advice from many of Deukmejian's long-time confidants, including former chief of staff Steve Merksamer and former press secretary Larry Thomas. Donna Lipper Lucas, a former press aide to the governor, will be the campaign manager. B. T. Collins, Hayes' top aide, has extensive political experience, including a stint as chief of staff to then-Governor Jerry Brown, Kathleen's brother. Hayes has hired Roger Ailes — who comes with a reputation for his slashing political style — to prepare his campaign ads. Hayes also has the money-raising assistance of Deukmejian fund-raiser Karl Samuelian. This may turn out to be a mixed blessing, though. Although Samuelian's ability to raise money is prodigious, his law firm has been involved in the savings-and-loan scandal and recently agreed to a multi-million payment to settle a lawsuit against the firm.

The advisors give Hayes the campaign skills he acknowledges he lacks. But he insists that his financial skills are what the voters really want and need and that they won't find boring the fact that he has, as repeatedly noted, made $1.6 billion (a number that is sure to rise as the election progresses) in interest for the state since becoming treasurer.

"I don't think I'm boring," said Hayes, "She might think that this office and I am bureaucratic and boring, but I'll tell you, the people that are getting the services from that $1.6 billion that I earned think there's nothing boring and bureaucratic about that money."

But Hayes concedes that what he wants to talk about are things like "the repurchase agreements of discount notes."

"I don't think it's my job to provide theater for the political press corps," he added.

Brown, on the other hand, knows well the value of political theater when you want to woo the electorate. First, she gives no quarter on the question of who will best manage the state's money. "I will continue to challenge Tom Hayes' competency on the issues of treasurer," she insists. She points to her own experience as a bond attorney, heading the Los Angeles city Board of Public Works and as a member of the Los Angeles school board.

Next, Brown plans to attack Hayes at the very heart of his image as a non-political manager. She has, for example, noted the amount of money Hayes has raised from the investment banking community and criticized Hayes' decision to hold back awarding a contract to underwrite some state housing bonds and then holding a money-raising event that included contributions from the firms bidding for the business. Hayes' campaign said the timing is coincidence and that the bond sale had to be held up because the new state budget was still pending.

Actions like that, Brown insists, belie Hayes' claim he is a non-politician. "I think it's so political that a treasurer is holding up or postponing bond sales so he can have some $1000-per-plate fund raisers that I can't believe it."

Furthermore, Brown says that Hayes isn't doing a good job with the state's bond sales because he "doesn't understand the bond laws." Brown's legal specialty is government finance.

Hayes isn't selling authorized bonds — there are some $12 billion of these that have been approved by the voters, but not sold — fast enough, Brown believes, although Hayes says he sold a record number last year and will sell even more this year.

And Brown believes that Hayes is losing money for the state's schools because he won't sell school bonds until after construction projects are underway. In the meantime, money for the projects must be borrowed from the state's pooled money fund at higher interest rates. This will cost school's about $50 to $60 million in additional interest, Brown says.

Hayes says he has no choice; the federal tax laws won't allow non-taxable bonds to be sold in advance because states then reap a windfall profit by investing the bond money at higher interest rates until it needs to be spent. This procedure, known as arbitrage, is illegal, Hayes says, and could jeopardize the state's entire bond program.

But Brown says that if Hayes were more political, he could win approval from the federal government to allow the bond sale and that if he knew more about tax laws, he would realize that tax-law changes will allow the procedure, provided the money is carefully tracked.

"She's willing to take more risk. I'm not willing to take the risk. She's willing to sell bonds and try to arbitrage them, and quite frankly I'm not sure she could because it might well be against the law. It could cost a bundle. But if you look, consistently, she wants to take more risks than I do, I will say that," Hayes notes.

Brown also plans to attack Hayes on a number of issues that Hayes doesn't believe really are relevant to being treasurer at all. For example, Brown recently attacked Hayes because the state failed to vote against a proposal by General Motors to greatly increase the pension benefits of the firm's top management. The state owns 6.2 million shares of GM stock through PERS.

"It is wholly unacceptable that California's public pension fund board should support a management proposal to finance multi-million dollar corporate pensions when thousands of workers stand a chance of not receiving their full pensions," fumed Brown in a press release.

But to Hayes, these are questions he shouldn't be involved in. "I personally don't believe the government should be running private corporations. She does, based on her public statements."

Brown sees it differently.

"I'm not going out and raising this issue by myself. This is not Kathleen Brown's issue. This is a management proposal, put on the table. Excuse me, you're sitting in this seat. You have to vote. You don't get the choice of passing. If you're asked, you owe it to the people of the state to give them the benefit of your judgment."

Brown also believes that abortion will be an issue in the race since the treasurer has the authority to issue bonds for hospital construction, and some anti-abortion advocates believe the state should refuse to finance the con-

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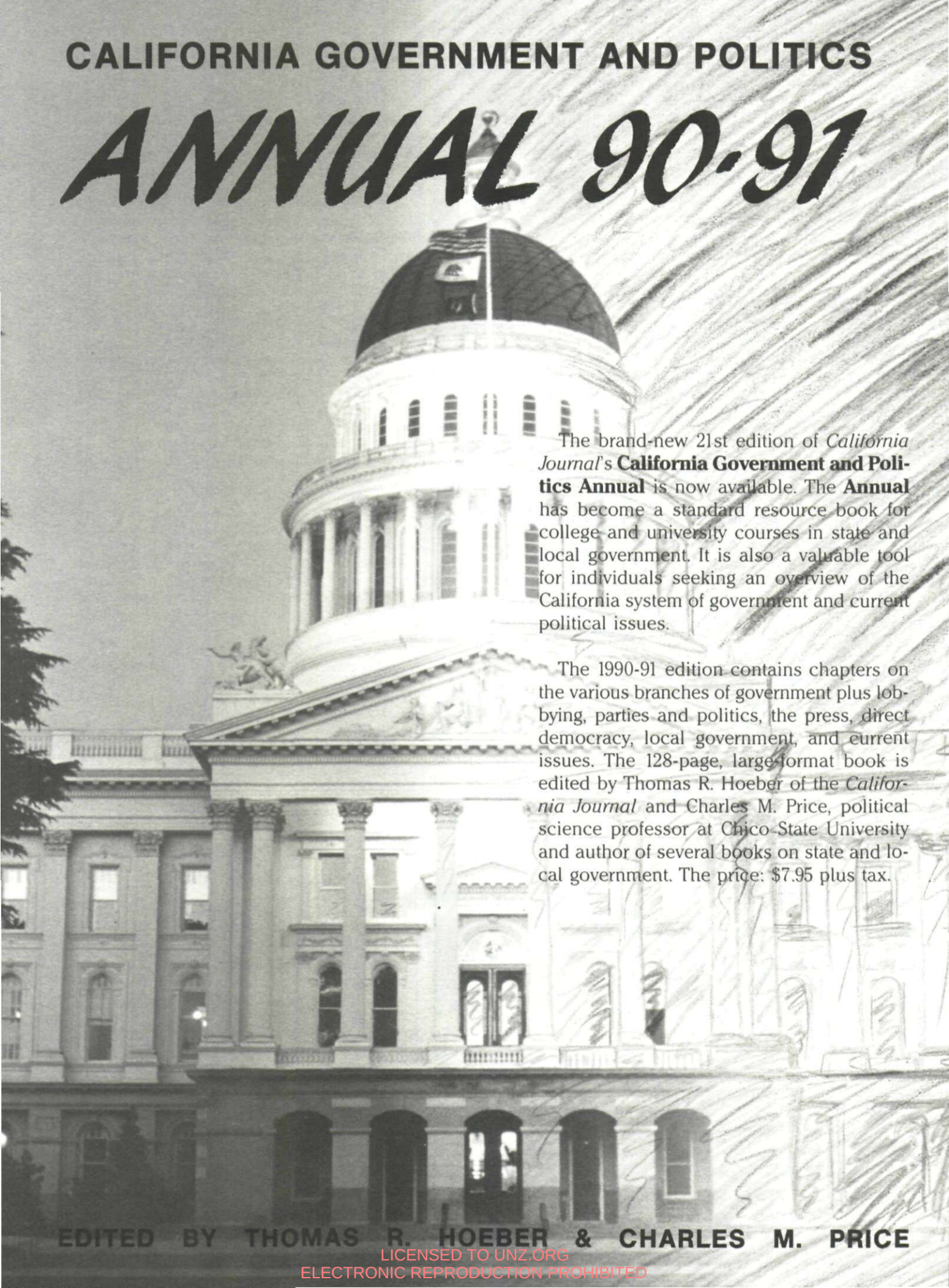

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struction of hospitals that perform abortions.

Hayes insists it's an issue that "has never come up." But he maintains that his position and Brown's are the same on this subject in any case: neither would restrict abortion rights.

Hayes position may come as a surprise to some. During the primary, when asked, Hayes would say he is against abortion, but he maintains he also believes that government should not be involved in the issue, the stance favored by abortion-rights activists. Hayes never brought up the issue on his own, and there are those who apparently heard only the first half of Hayes' position, leading them to believe Hayes would favor government limits on abortion — a stance that would have helped shore up Hayes' shaky credentials with Republican party conservatives during the primary.

The Hayes campaign insists any confusion results because the issue almost never came up. But campaign manager Lucas insists that party conservatives were "well aware" of Hayes' stance, and that it cost him the endorsement of some conservative Republicans.

It is unclear what impact the gender question will have on the campaign.

Brown sees it as a mixed blessing and Hayes, as with most of the male candidates running against women, is struggling with how to handle the situation.

Hayes, for example, bridled at a Brown comment that "women are more careful with money." It's a quote that, if the genders were reversed, would have brought howls of protests from feminists. But to combat it, Hayes is forced to hand out copies of a letter to the editor, written by his 17-year-old daughter, complaining about the Brown remark. The letter was never published.

Brown also believes that having Dianne Feinstein at the top of the Democratic ticket will be a help. "There will probably be a petticoat effect," she said.

Still, being treasurer is a "non-traditional job" for a woman (although it is one of the only California constitutional offices ever held by a woman. Former U. S. Treasurer Ivy Baker Priest held the post from 1966 to 1974) and Brown is uncertain how voters will respond.

Then there is the question of her family connections. Being a Brown is a mixed blessing in this state. Certainly, it was very helpful in the early stages of the campaign, raising money and peaking the interest of the political press. But its effects on voters are uncertain. Although her father, Pat, is taking on legendary proportions for the activities of his eight years as governor, her brother's eight years in office are still viewed with derision by many. Although the Hayes campaign maintains Hayes doesn't plan to bring up the subject, one of the Hayes' flyers — a comparison of qualifications for the job — notes the relationship. In fact, according to the flyer, her relatives are about her only qualifications for the job.

Brown believes she can raise about $4 million for the campaign, enough to give her an "important, but not vulgar" television buy in the closing weeks of the campaign. Hayes will say only that he will raise "enough to be competitive."

There will be a lot of noisy issues — other races, 13 initiatives — before voters this fall, and it's questionable if either candidate can raise enough money to be heard. above the din. If they can't, it will be too bad, because this time the electorate will have the opportunity to make a real choice between two candidates — both attractive and intelligent — with very different philosophies and attitudes about the job.

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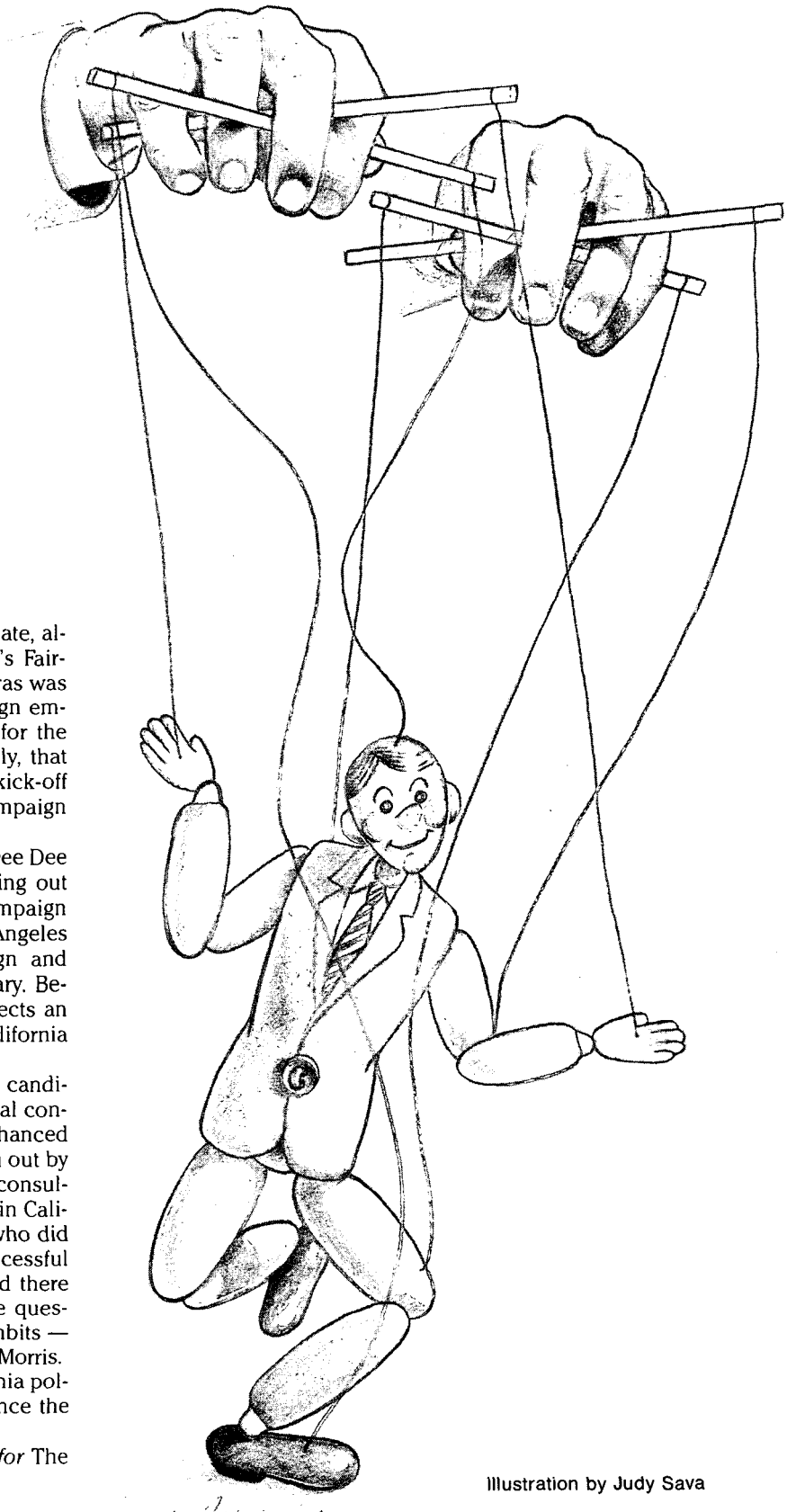
PULLING THE STRINGS

Political consultants have more power than ever

By James Richardson



The television risers were in place in an ornate, almost operatic, ballroom in San Francisco's Fairmont Hotel. Directly across from the cameras was a podium and, just above it, a giant red sign emblazoned with "Feinstein." All was ready for the primary election-night victory party — a party, really, that was less of a social event than it was the televised kick-off of Democrat Dianne Feinstein's general election campaign for governor.

And to help make it go all the more smoothly, Dee Dee Myers went to work schmoozing the reporters, giving out tid-bits of color, facts and political spin. Myers, campaign press secretary to Feinstein, is a veteran of Los Angeles Mayor Tom Bradley's 1986 gubernatorial campaign and Michael Dukakis' 1988 California presidential primary. Besides being very good at what she does, Myers reflects an increasing trend among campaign consultants in California — she is a specialist.

The winners and losers on June 5th were not all candidates. They included dozens upon dozens of political consultants. Legends were made, reputations were enhanced or tarnished. And money, lots of money, was shelled out by the hundreds of thousands by candidates to the consultants. There were old warhorses who have hung out in California politics for years — Ken Rietz, for example, who did ads for Republican Angela "Bay" Buchanan's unsuccessful bid for the GOP nomination for state treasurer. And there were new rockets on the scene, consultants whose questionable gambles were later considered brilliant gambits — as with Feinstein's team of William Carrick and Hank Morris.

Political consultants are nothing new in California politics; they have dominated statewide campaigns since the

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James Richardson is a Capitol correspondent for The Sacramento Bee.

Illustration by Judy Sava

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1960s, and now even lock up legislative races. The 1990 election, however, has seen teams of political specialists combining forces for a single candidate. And the ranks of consultants have swollen: A directory of political consultants published by "California Political Week" lists 217 California consulting firms. One-stop shopping for consultants by serious candidates is a thing of the past.

Republican Pete Wilson, who did not even have a serious gubernatorial primary opponent, employed no fewer than 15 consultants, lavishing more than $2 million on them by mid-May. Overall, he spent more than $8 million in his primary — an amount of money that eclipsed the two Democrats who battled for their party's nomination.

Like his Democratic counterparts, Wilson had pollsters, direct-mail technicians, professional fund-raisers, attorneys, accountants, press secretaries, researchers and overall strategists. His communications director, Otto Bos, was paid $12,500 a month. One of his fund-raisers, Karolyn Dorsee Productions of San Diego, was paid more than $200,000 in the 18 months preceding the primary for staging lavish $1000-a-plate dinners. The polling firm of Dresner-Sykes was paid $147,000 for data that had less to do with who would win the GOP primary (there was never a question) than which "hot button" issues were grabbing voters' attention.

After a sputtering start, Democrat Feinstein also assembled a team of expensive specialists. Morris and Carrick scored a major coup with a biographical ad on Feinstein that aired in February — a $500,000 gamble that easily could have gone down in the annals of campaign fiascos. Their fast-paced, 30-second spot gave her a jump in the polls, and she never really looked back. For their work, Morris and Carrick were paid $100,000 in the primary and entered the lexicon of lore in California politics. Her overall strategy was coordinated by Darry Sragow, who was paid $137,000 in the primary. Sragow badly needed the primary win after his unsuccessful management of Lieutenant Governor Leo McCarthy's dismal U.S. Senate campaign in 1988. And press secretary Myers was paid $60,500 for the 18 months preceding the primary.

Computer data firms, generating mailing labels and donor lists, did a brisk business. Feinstein paid $182,000 to American Data Services, while Wilson, laying his groundwork for the fall, paid $208,000 to National Data Services and $104,000 to Focus Marketing. In fact, campaign-finance disclosure reports indicate that the most lucrative political consulting may not be in campaign management but in computer and direct-mail firms. Aside from television purchases, the single largest payment made by the Feinstein campaign — $556,000 — was to Voter Guide, the slate-mailer firm of Michael Berman and Carl D'Agostino (known as "BAD Campaigns").

A number of consultants managed statewide campaigns for the first time in 1990 — and some flopped conspicuously. Richard "Richie" Ross, for years the political magician for Democratic Assembly Speaker Willie Brown and the chief strategist for San Francisco Mayor Art Agnos, did not fare well managing the supposed front-runner candidacy of gubernatorial hopeful state Attorney General John Van de Kamp. Fashioning a strategy oriented toward the fall, Van de Kamp was practically blown out by Feinstein. Nonetheless, Ross kept his reputation for running smart local campaigns by managing the successful Oakland mayor-

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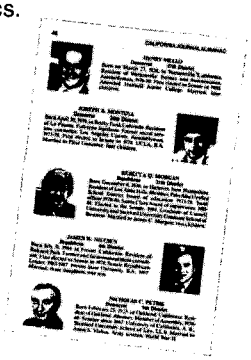

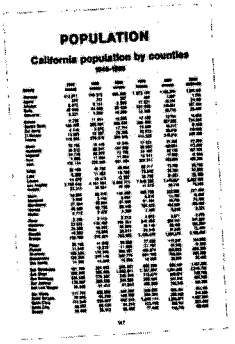

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al campaign of Assemblyman Elihu Harris, who finished first in a crowded primary field and now is in a November run-off.

Among the biggest losers was Clinton Reilly, the San Francisco consultant who "fired" his candidate — Feinstein — in 1989, claiming that she didn't have what it took to run for governor. Not only did Feinstein prove Reilly wrong, Reilly took it on the chin in the Oakland mayoral race. His candidate, incumbent Lionel Wilson, finished a dismal third and did not make the run-off.

A few consultants emerged with their reputations intact — even enhanced — despite their candidate's loss. Sam Singer, a San Franciscan, managed Los Angeles District Attorney Ira Reiner's disastrous Democratic primary campaign for attorney general. Singer attempted to run a professional campaign but was saddled with an uncooperative candidate. The man who beat Reiner — San Francisco District Attorney Arlo Smith — won primarily because of his own tenacity and Reiner's smugness. Smith's campaign consultant, Marc Dann, an inexperienced young consultant, did him no favors, causing one of the major flaps of the campaign.

Dann overstepped his bounds by speaking to the chief deputy district attorney of San Francisco in an attempt to speed up the already politically-charged investigation of a Sacramento developer and four of his associates for their roles in defeating a local 1989 measure meant to provide a new baseball stadium for the San Francisco Giants. Smith later said he reprimanded Dann, but found himself losing valuable time on the subject during his only televised debate with Reiner. Had the race been more visible, Smith might not have recovered from Dann's gaffe. The charges against the developer were dismissed by a judge shortly after the June primary.

Finding comfort and fit between candidates and consultants is not always easy. Feinstein and Reilly — who had cooperated on Feinstein's local campaigns for years — clashed repeatedly over strategy and fees before the two parted. Ross and Van de Kamp always seemed an unlikely match, given Ross's reputation as a slash-and-burn artist and Van de Kamp's fabled caution.

Meanwhile, Wilson stuck with the team that has brought him success for years. Bos, who was once a reporter for the *San Diego Union* covering Wilson when he was mayor, has worked for Wilson in one capacity or another throughout the 1980s. George Gorton, who directed Wilson's 1982 Senate triumph over Jerry Brown, is co-managing Wilson's gubernatorial campaign with Bos. Wilson's team even extends over two generations in the same family. Loren Kaye, his Northern California manager, is the son of Peter Kaye, now associate editor of the *San Diego Union* and who was once Wilson's press secretary.

Some of the other Republican statewide campaigns have a ghosts-of-Deukmejian-past tinge to them. Republican attorney general nominee Dan Lungren's consultant is his brother, Brian Lungren, who once headed Deukmejian's political-action committee, "Citizens for Common Sense." During the primary, Lungren also managed the campaign of Treasurer Thomas Hayes, who is running in his first election campaign, having been appointed to the post by Deukmejian to fill the unexpired term of the late Jesse Unruh.

In the general election campaign, campaign-management duties for Hayes have been turned over to Donna Lucas, a veteran of Deukmejian's gubernatorial campaigns and his former deputy press secretary. Lucas is married to

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Greg Lucas, a political reporter for the *San Francisco Chronicle*, and is daughter-in-law of California Chief Justice Malcolm Lucas, who was appointed to the high court by Deukmejian. Moreover, Hayes's television commercials have been produced by Roger Ailes, a New Yorker whose clients have included Deukmejian and George Bush. Hayes's inner circle of campaign advisers include Deukmejian confidantes Karl Samuelian and Steve Merksamer, the governor's first chief of staff. Merksamer's law firm also has done well by the Wilson campaign, collecting more than $36,000 in fees from the Republican gubernatorial campaign before the primary.

Some candidates have reached outside the state to find consultants with whom they are comfortable. Democratic treasurer nominee Kathleen Brown, sister of one former California governor and daughter of another, hired Greer, Margolis, Mitchell & Associates of Washington, D.C. The firm successfully managed Democrat Douglas Wilder's campaign for governor of Virginia. Brown also picked an out-of-state pollster, Celinda Lake of the Analysis Group of Washington, D.C.

"The most important thing," Brown said explaining her selection of Lake, "was that Celinda Lake had done more women's campaigns than anyone else. No matter what they say out there, it's difficult being a woman running for office. You're asked to credential yourself over and over. A man in a gray Brooks Brothers' suit is assumed to have more credentials than a woman."

The consultants: who's whose

DIANNE FEINSTEIN (D-Governor)
Campaign manager: Bill Carrick
Media Consultant: Hank Morris
Press Secretary: Dee Dee Myers
Chief of Staff: Hadley Roff
Director of Issues: John Thiella

PETE WILSON (R-Governor)
Campaign Manager: George Gorton
Media Production: Don Sipple; Larry McCarthy
Press Secretary: Bill Livingston
Communication Director: Otto Bos
Pollster: Dick Dresner

LEO McCARTHY (D-Lt. Governor)
Campaign Manager: Roy Behr
Media Consultant: Ken Swop
Pollster: Mellman and Lazarus

MARIAN BERGESON (R-Lt. Governor)
Campaign Manager: Kevin Sloat
Political Consultant: Ron Smith

MARCH FONG EU (D-Secretary of State)
Campaign Manager: Miyun Lim
Media: Leo McElroy

JOAN MILKE FLORES (R-Secretary of State)
Campaign Manager: Bernie Evans
Media: Lisa Haines
Pollster: Arnold Steinberg
Finance: Joyce Valdez

GRAY DAVIS (D-Controller)
General Consultant: Troy Edwards (Interim)

MATT FONG (R-Controller)
Overall Consultant: Stuart Spencer
Media Consultant: Don Ringe
Research Consultant: Pat Louie

KATHLEEN BROWN (D-Treasurer)
Campaign Manager: BeverlyThomas
Media Consultant: Greer, Margolis and Mitchell
Press Person: Jennifer Opershaw
Fund Raiser: Unger/Thomas
Pollster: Greenberg Lake

THOMAS HAYES (R-Treasurer)
Campaign Manager: Donna Lucas
Media: Roger Ailes
Pollster: Dick Dresner

JOHN GARAMENDI (D-Insurance Commissioner)
General Political Consultant: Berman/D'Agostino
Press Person: Michelle Presley
Fund Raising: Gary Hernandez; Don Muir; Genet Garamendi

WES BANNISTER (R-Insurance Commissioner)
None available as of July 11, 1990

ARLO SMITH (D-Attorney General)
Campaign Manager: Marc Dann
Media Consultant: Neil Oxman
Pollster: Garin Hart Research

DAN LUNGREN (R-Attorney General)
Campaign Manager: Brian Lungren
Principal Strategist: Ken Khachigian
Media Consultant: Don Ringe
Pollster: Dick Dresner

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Photos by Robert A. Eplett

"Long-range planning does not deal with future decisions, but with the future of present decisions."
— Peter Drucker

Congress and the California Legislature are learning that an ounce of earthquake protection is worth a pound of earthquake relief. As a result, recent amendments to the Federal Disaster Assistance Act of 1974 require that areas receiving federal assistance during presidentially-declared disasters find ways to minimize damage from similar disasters in the future.

Two weeks after the Loma Prieta earthquake last October, a team of government, industry, and Red Cross officials began planning ways to mitigate future earthquake damage both in the Bay Area and statewide. Called a "hazard mitigation survey team," it included representatives from 32 government agencies with earthquake-response duties, and Pacific Bell, the Pacific Gas and Electric Company, and the American Red Cross. It submitted 57 recommendations to

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Sacramento writer Michael Browne spent 11 years with the Governor's Office of Emergency Services and is a consultant to the California Engineering Foundation.

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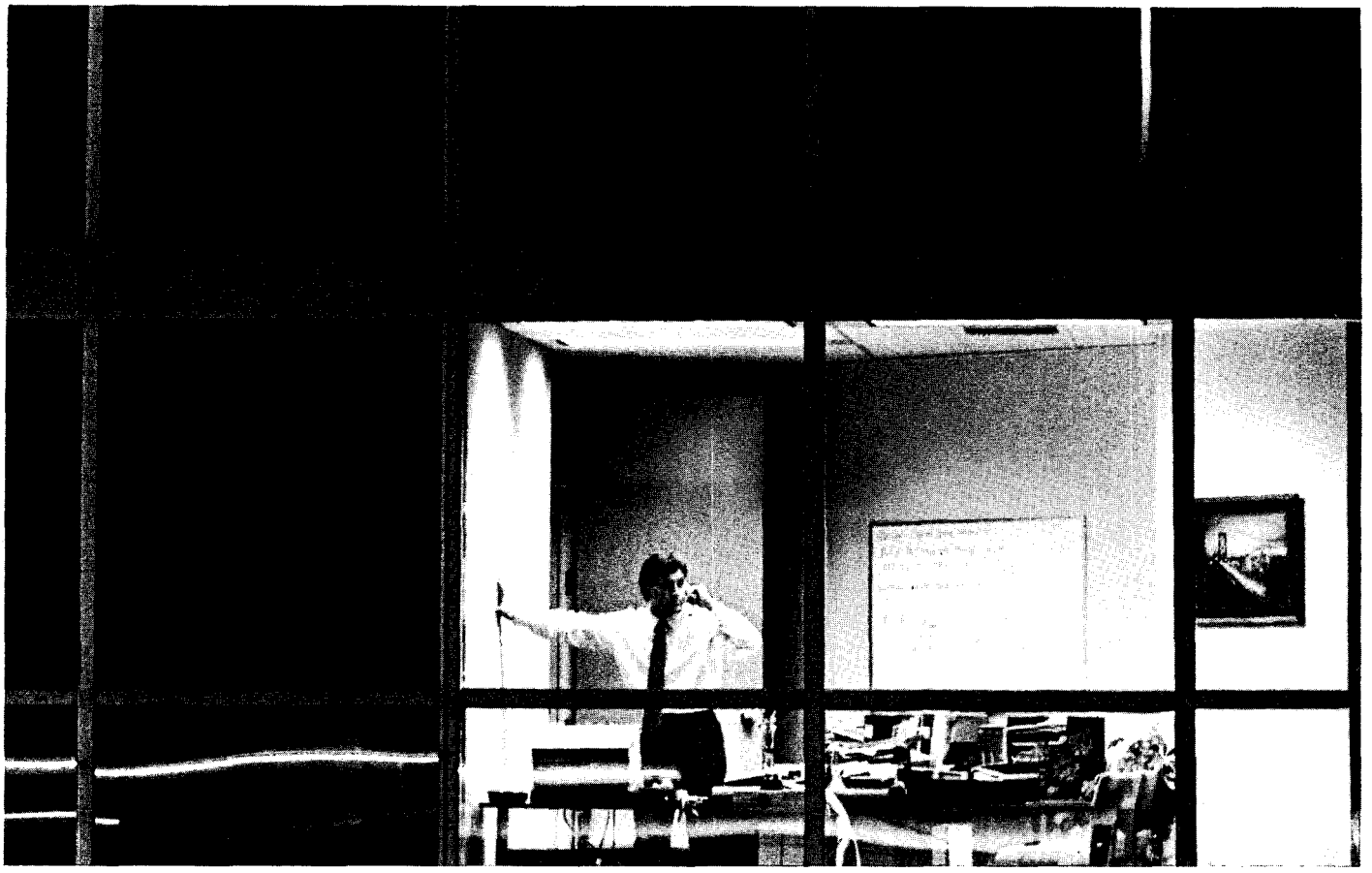

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The Big 'Quake

An ounce of prevention saves a pound of rubble

By Michael Browne

the Federal Emergency Management Agency (FEMA) last April, 15 of which dealt with improving building codes.

A similar kind of survey team mobilized after a 1987 magnitude-5.9 earthquake in Southern California, centered near an area called the Whittier Narrows, killed eight people and damaged 10,000 buildings. Seven of the 29 recommendations made by the Whittier Hazard Mitigation Survey Team cited shortcomings in building practices and codes.

Structures built after 1933 still regularly collapse during earthquakes because the science of studying earthquakes — seismology — is relatively new, the technology for seismic design even newer, and because organizations such as the International Conference of Building Officials, which writes the Uniform Building Code, have an institutional resistance to change. Also, the Uniform Building Code is a model, not a law. State and local governments adopt code provisions based on perceived need and the ability to enforce compliance — an ability that varies from county to county.

Improvements in statewide seismic-safety policies emerged in the Legislature after the 1971 San Fernando earthquake. That 6.6 temblor killed 58 people, caused $900 billion in property damage, destroyed two hospitals and damaged 15 others. Senator Alfred Alquist, a San Jose Democrat, authored bills over the next few years to strengthen hospital construction, map all known earthquake faults in California, require maps showing what areas would be flooded by failing dams, and legislate the state Seismic Safety Commission into existence.

There are presently 17 seismic-safety commissioners representing government, engineering, seismology, geology and insurance interests. Commissioners work with a 14-member staff to recommend earthquake safety policy to the Legislature and to the governor. The commission's mandate took on a new urgency after an 8.1-magnitude earthquake killed 8000 people in Mexico City in 1985, with most of the casualties occurring in poorly constructed buildings. For years geologists have been predicting a 50 to 60 percent probability of similar earthquakes in Southern California or the Bay Area, and the proximity of the Mexico City earthquake prompted the Legislature to pass the Earthquake Hazard Reduction Act of 1986. The Act directed the Commission to begin a five-year plan intended to reduce all seismic hazards in California by the end of the century.

The Commission identified 72 projects, which it calls "initiatives," to be completed between 1987 and 1992. The first initiative was to have local governments in the areas of highest seismic risk — most of the state's populated areas — inventory buildings made of unreinforced brick or concrete which are likely to collapse during an earthquake. The initiative was given legal teeth by Senator Alquist with the Unreinforced Masonry Act of 1986. The Commission esti-

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mates there are 35,000 buildings made of unreinforced brick or concrete, the most likely to collapse in a quake, housing over one million people, mostly in older sections of California cities.

As of May 1990, 142 California cities and counties out of 365 at high earthquake risk have plans for doing something about their unreinforced masonry buildings. There are no penalties for noncompliance, but the inventory is an initial step toward developing a hazard-mitigation plan. Without such a plan, a local government may find itself ineligible for disaster assistance and the owners of such buildings may be held legally liable if those buildings collapse.

The next step is to destroy or rebuild the structures, and that's where the headaches begin. L. Thomas Tobin, executive director of the Seismic Safety Commission, said there are no tax incentives for building owners to retrofit unsafe buildings, and outright condemnation will only add to the homeless problem.

"About one-third of the unreinforced masonry buildings that exist provide housing for low-income families and start-up businesses located in older sections of cities. We need federal tax credits as an incentive for building owners to strengthen unsafe buildings," Tobin said. According to testimony before the commission in 1987, retrofitting costs range from $4.50 to $25 per square foot.

Some state help may be on the way. During the special legislative session called by Governor George Deukmejian following last fall's Loma Prieta earthquake, Assemblyman Dominic Cortese, a San Jose Democrat, introduced legislation (AB 15x) to give building owners a $1000 state tax credit for retrofitting buildings with seismic improvements. A similar bill was introduced in the state Senate by Democrat Art Torres. Democratic Assemblyman Richard Floyd of Gardena, and GOP Senator Don Rogers of Bakersfield introduced measures to exempt seismic improvements from increased tax assessments. Rogers' bill (SCA 33) passed and will be on the November 1990 ballot. As of mid-July, the others were pending in the state Senate.

The Loma Prieta earthquake also created what one disaster bureaucrat called a window of opportunity for the passage of Proposition 122 which authorized the sale of $350 million in bonds to fit certain government buildings with earthquake-protection improvements. Voters approved Proposition 122 by a 55 to 45 percent margin this past June.

Proposition 122, coupled with another bill authored by Rogers and signed into law in September 1989, signals the biggest change since 1933 in official state policy toward earthquake safety in building design. Most earthquake bills are meant to deal with earthquakes after they occur, not mitigate damages before an earthquake strikes. Proposition 122, and especially the Rogers bill, are departures from that policy. Rogers' bill directs the state architect to select two state buildings to be retrofitted with new seismic technologies developed at the University of California Earthquake Engineering Research Laboratory in Richmond; and a third to be built with the new seismic technology. The State Architect has announced that the state building at 350 McAllister Street in San Francisco has been selected for seismic retrofitting. The other two projects have yet to be selected, and all three will be linked to monitoring devices of the state division of Mines and Geology's Strong Motion Instrumentation Program to precisely determine the effects of earthquakes on the structures.

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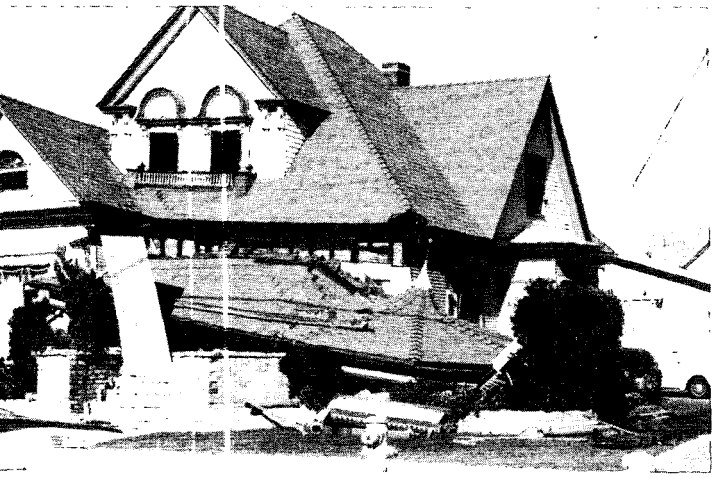

One of the new seismic technologies, called "base isolation," mounts structures on rubber and steel pads which act like shock absorbers during earthquakes and "isolate" the base of a structure from ground motion. Base isolation is limited to buildings up to 15 stories high, which react differently to ground motion than do taller buildings, and only where earthquakes will not liquify the soil and topple a building with or without base isolation.

The first domestic application of base isolation to an actual building was in the construction of a courthouse in San Bernardino County in 1986, near the San Andreas and San Jacinto earthquake faults. The building was wired into the Strong Motion Instrumentation Program, and instruments showed that seismic shock to the courthouse was reduced by half during a 5.5-magnitude earthquake on the Cucamonga Fault last February.

Even more extensive testing is being conducted in Japan which has 10 times the number of earthquakes as does California. Isolators also are being used to reduce earthquake shock to nuclear reactors in France and South Africa. In this country a 90-year-old courthouse in Salt Lake City has been retrofitted with isolators, and isolators are being installed under the new University of Southern California medical school in Los Angeles and under Los Angeles County's new 911 communications center.

Isolators may also be used in freeway overpasses, and the International Conference of Building Officials will include base isolation technology in the 1991 Uniform Building Code.

Even seismically-protected buildings need earthquake insurance, and getting adequate coverage in California is a problem. Earthquake insurance premiums for median-priced California homes cost $250 to $300 per year, according to the state Department of Insurance, and deductibles range from 10 to 20 percent of a home's or building's market value. The Hazard Mitigation Survey Team investigating the Whittier Narrows earthquake reported that $7.3 million in claims had been made by mid-1988, and stated that only 20 percent of California homes and businesses were covered by earthquake insurance.

"California law states that every homeowner has to be at least offered earthquake insurance," the Whittier team reported. "But when some people requested earthquake insurance, some insurance companies were said to have canceled their basic homeowners' policy. The long-range solution, as far as the insurance industry is concerned, is to press for better buildings. With effective mitigation, the availability of insurance should increase."

Then again, perhaps not. Only two of the Seismic Safety Commission's 72 initiatives deal with earthquake insurance, although one commissioner, William Waste, is the retired president of a San Francisco insurance firm. One of the insurance initiatives is, in effect, to do nothing except to continue to study the problem, and the other is to regulate homeowners into reducing losses by bolting foundations to frames and strapping water heaters to walls.

"Other than for personal safety, little incentive exists for property owners to take such positive steps, and insurance companies do not consider these measures in establishing rates," states *Californians at Risk*, the Commission's annual progress report, adding: "On May 6, 1988, the Department of Insurance advised the Commission that the insurance industry appears satisfied with the insurance policies and procedures currently in use."

Richard Roth, an assistant commissioner of the state Department of Insurance, said insurance reserve funds in the U.S. now total $134 billion, and that a reprise of the 1906 San Francisco earthquake, or the 9.1 Alaska earthquake of 1964, would cost American insurers $50 billion. "One big earthquake could severely impact a company or even wipe it out," Roth said, adding that surviving companies would

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be covered by foreign reinsurers "whose capacities are unknown."

A consortium of private insurers has been working for several years on what they call the Earthquake Project, an effort to persuade Congress to underwrite a national earthquake-insurance program similar to the federal flood-insurance program, but congressional approval is probably "five to 10 years away, if ever," said Bill Gage, a consultant to the state Senate Subcommittee on Earthquake Insurance.

In the meantime, California lawmakers have introduced 18 earthquake-insurance bills in the Legislature since the Loma Prieta earthquake. During his state of the state message, Governor Deukmejian proposed a statewide earthquake-insurance program, and the governor's proposal is being carried in the Legislature by newly-elected Senator Frank Hill, a Whittier Republican. His SB 2902 would create a California Homeowner Earthquake Insurance Fund. Coverage would cost between $15 and $60 per year to operate a state-run insurance program, and pooled money could only be used to pay claims and not be borrowed for other state programs.

Senator Cecil Green, a Norwalk Democrat, introduced a similar measure with SB 2608. Green's bill would establish a state insurance corporation to work with private insurers in covering property losses of up to $100,000 in policies totalling up to one million in coverage. Deductible amounts would not exceed $2500 of the first $100,000 in claims, or 5 percent of the total property value for claims of over $100,000.

Democratic Assemblyman Rusty Areias of Los Banos, who chairs the Assembly Earthquake Preparedness and Natural Disaster Committee, introduced AB 3913 which would provide small firms having fewer than 500 employees, whose business had been disrupted by an earthquake, with "up to 80 percent of their cash flow for 90 days after an earthquake," said Areias. The cost of premiums would be 40 cents per thousand dollars of gross revenue as determined by the Franchise Tax Board.

Assemblyman Sam Farr, a Monterey Democrat, is also trying to establish a state earthquake insurance fund, with AB 3638, which would pay residential claims only after earthquakes of magnitude 6.5 and higher. The fund would be financed through fees charged to homeowners, according to Ken Cooley, chief counsel to the Assembly Finance and Insurance Committee.

"The residential sector will kick in to make coverage more affordable," Cooley said, adding that when the fund exceeds $1.5 billion, the money could finance programs to retrofit homes with seismic improvements.

But unless a major earthquake is vivid in the public memory, seismic retrofit programs will probably progress at the same deliberate rate as has earthquake-insurance reform or changes to accommodate seismic design in the Uniform Building Code; this despite California's vulnerability to earthquakes. Damaging earthquakes in the magnitude of 6 occur somewhere in the state at average intervals of three years. Very damaging earthquakes have happened in California at roughly 35-year intervals since 1800, and great earthquakes of a magnitude range of 8 have struck at 135 to 140-year intervals over the last 1400 years. Richard Andrews, an assistant director of the Governor's Office of Emergency Services and in charge of the state's earthquake preparedness projects, commented: "My view is that the earthquake issue in this state is not a disaster issue or even an emergency issue. It's just a permanent feature in the environment of California."

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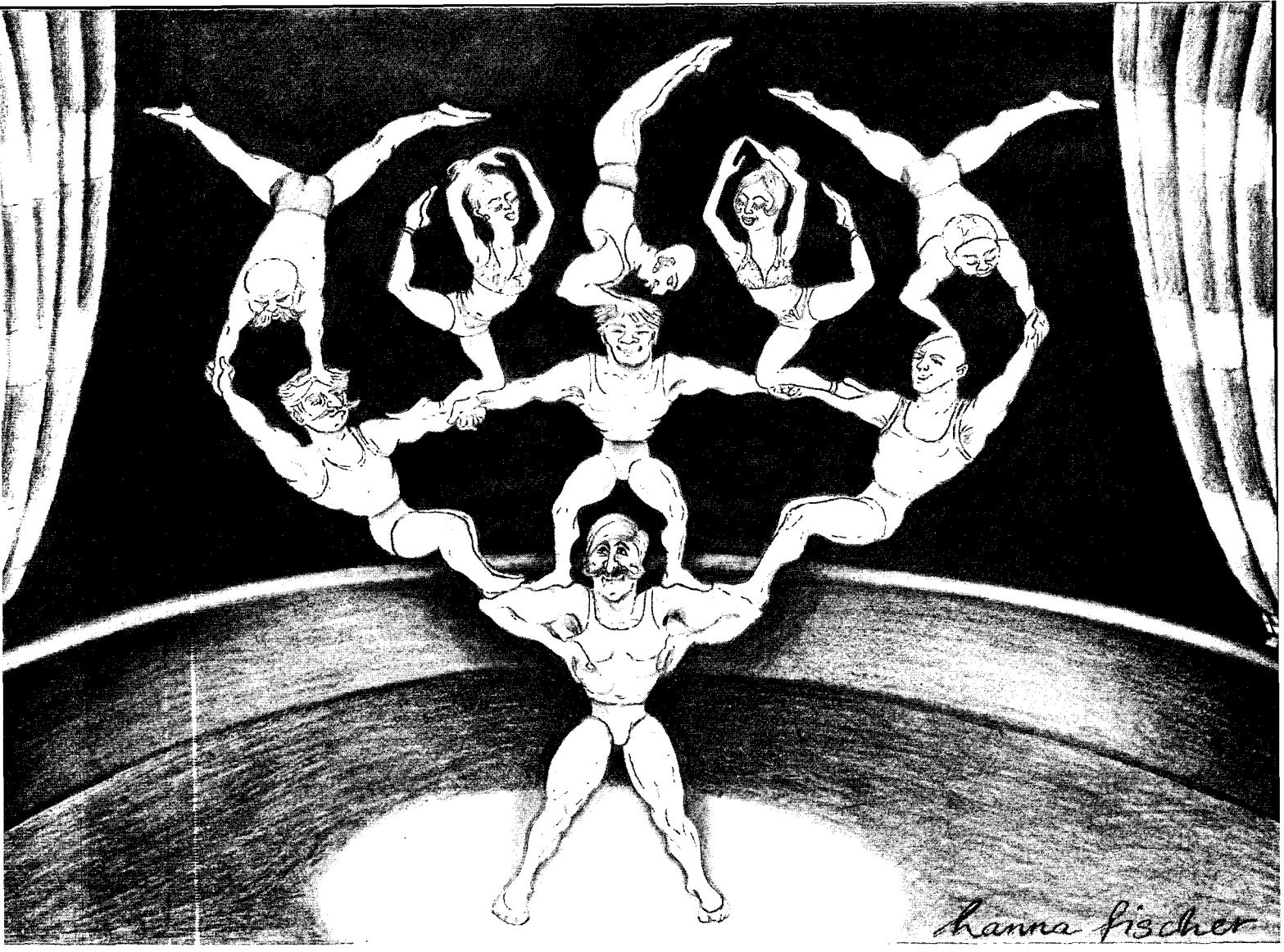

Illustration by Hanna Fischer

ASSOCIATION MANAGEMENT PROS

Does your group need help?

By David Goldstein

In this day and age, everybody's got an axe to grind. If you, or your colleagues, don't want something from state government, state government probably wants something from you.

As a result, the number of groups organized to push and defend their interests has multiplied in recent years. And this growing number of interest groups has created something of a boomlet for firms that make money providing these groups with professional services.

Associations provide a semblance of order for businesses within an increasingly turbulent marketplace. They provide information and a framework around which people with common interests may congregate to discuss their problems.

Professional associations have proliferated enormously in recent years. Marilyn Cavender's "1989 Marketing Guide to Sacramento's Associations and Organizations" lists over 500 associations. The state capital is a natural hub for these associations, many of which require access and representation at the Capitol.

The associations listed in the guide can be divided into two categories: trade associations, composed of various business competitors who collaborate to provide ethical, research, and educational standards for their specific industry; and professional societies that band individual professionals like doctors or lawyers into a unit to facilitate expertise, enhance personal contacts and promote the profession.

The successful creation and maintenance of an association is anything but a simple or an easy task. For most fledgling associations with limited budgets (under $200,000), it is very difficult to pay for in-house administrators, lease a central office and purchase office equipment. Often a small association must rely on volunteer staffers who may be distracted by their private practices or be prone to flakiness. According to Kim Donovan of the California Association of Photocopiers and Process Servers, "Our volunteers were drying up and we lacked adequate

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David Goldstein was a California Journal *intern.*

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phone coverage" during the early stages of the organization. Surprisingly, another recurrent problem for associations is a simple lack of administrative expertise because volunteers are untested in management positions.

Although many associations do handle management problems on their own, a growing number are seeking help by hiring an association-management firm. These firms exist for the sole purpose of managing associations and can alleviate management problems. Although association management is an old concept with a 100-year history, it is recently experiencing unprecedented growth. In the Sacramento area, association-management firms handle the affairs of approximately 10 percent of the associations.

Currently, there are three basic levels of service commonly offered by association-management firms, with some small firms specializing in only one or two of the areas. These areas are administrative management, executive leadership, and lobbying. A fourth level, "organizational consulting," is currently offered only by the largest firms, such as the Messersmith Group. This latter service, traditionally handled by outside consultants, provides for an analysis of an association's hierarchical structure, communication networks, and organizational culture.

Mostly, administrative management refers to an association's day-by-day operation, including answering membership questions and concerns by phone and letter, updating membership lists, compiling financial records, collecting dues, and publishing and distributing membership newsletters and magazines. The advantage afforded to an association by a management firm entails both cost-efficiency and professionalism. The firm itself provides the central office location and related office equipment. Clerical services are offered on an as-needed basis. The general maintenance costs for the office are divided among the several client associations of a firm, and the flakiness associated with volunteerism is avoided by having a full-time staff.

Robert Achermann, president of Achermann and Associates, says that administrative management is crucial because it "brings a legitimacy to groups, a certain organizational structure and professionalism." Achermann's client groups include the California Association of Photocopiers and Process Servers, the California Society of Pathologists, and the California Association of Medical Products Suppliers.

Another important advantage management firms have is their status as an outsider. Management executive Jim Frayne claims that a successful manager often "has to be a shoulder to cry on, a psychiatrist and soothsayer for association members." The manager's outside, neutral status usually allows for effective resolution of internal conflicts.

Executive leadership is concerned with policy-making and the long-term prospects of an association. Most associations select their policy leaders from within their membership, but management firms may play a variety of crucial, advisory roles. Skip Daum's firm, Association Headquarters, sponsors a "retreat to the future" for his client associations. Here, representatives of his firm meet with association leaders at a hotel for a weekend in order to "flesh out" association objectives and procedures. The retreat allows for the development of a detailed mission statement and the establishment of meeting procedures for the next two years.

The firm Pacific Management Dynamics is involved with the "strategic planning" of its client associations. This activity may perhaps include an investigation of potential non-dues revenue sources for an association. Public-relations campaigns for the association are also conducted by some management firms. Pacific Management representative Pat McLafferty claims that "the treatment of non-profit associations like businesses allows for a fuller realization of association goals." Louise Walters of DBW Associates claims, "It is relatively easy for managers to familiarize themselves with an association's business, and we never want to be too far away from leadership."

Many associations need representation at the Capitol because their industry is regulated by the state or because the activities of state government affect their livelihood. Management firms are able to provide a lobbying service in addition to their other functions by keeping registered lobbyists on their staff. Some firms, like DBW Associates, work with clients at introducing legislation to the Legislature. Lobbying also entails testifying before the appropriate committees and establishing personal contacts with targeted legislators.

There are two main schools of thought among management firms with regard to testifying. Daum and Achermann never let their clients testify before committees for fear that they may not be aware of the legal ramifications of certain statements. They consult with their clients and testify for them. On the other hand, Frayne allows only his clients to testify, reasoning that they are the most qualified to represent their association's interests. Clients may be prepped as to committee etiquette and have their stances clarified before actual testimony.

Associations usually need their lobbyist to be a constant watchdog of government activity and potential legislation. Achermann maintains that a management firm is ideal for this because a "regular lobbyist's work dies when a given bill is passed or rejected, but a firm's work continues through the duration of its contract." These contracts are often established on a year-long basis, but most associations find the management service desirable enough to renew for several years in succession.

Although each of the management firms takes clients from a variety of fields, they say there have been few conflict-of-interest problems. While always eager to expand their business, most management executives would turn down business if they believed there would be a sharp conflict with existing clients. Most firms nip potential intra-client conflicts in the bud by adopting an "up-front" policy of disclosing their client lists to potential clients before signing a contract.

The growth in associations is so pervasive that even the management firms have one — the Sacramento Society of Association Executives (SSAE). SSAE is not so much involved in perfecting the industry as it is a fraternal unit for association executives. However, active member Lloyd Messersmith asserts that SSAE does serve to "level the playing field somewhat for competitors." Not all management firms in the Sacramento area belong to SSAE, but a few firms claim to have occasionally received business references from association meetings. SSAE is a branch of the American Society of Association Executives.

The Sacramento society currently has five management firms as members, although not all companies in the field belong. This group, too, contracts with an association-management firm for services. And as new groups perceive the need for professional organization, it's likely that the membership of this group, too, will grow.

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ADOPTION CONTROVERSY

The children no one wants

By Craig Hamley

They wait.

Sometimes for a year, sometimes for several years.

Some will never find a permanent home. Instead, they will be carted from one foster family to another, never forming meaningful relationships or strong bonds with any of their temporary parents. They are California's "special needs" foster children.

These children have special needs for a variety of reasons, such as prenatal drug exposure or parental neglect, but one thing is certain — their numbers are growing at a rate that is cramping California's already overburdened Department of Social Services.

Jim Brown, chief of the adoptions branch of the California Department of Social Services, said he believes as many as 70 percent of the approximately 78,000 children now in the state's foster-care system could fall into the special-needs category if they were to become free for adoption.

California defines a special-needs child as having one or more of the following characteristics:

- member of a sibling group that must be placed together;
- mentally, physically, or emotionally handicapped;
- three years old or older;
- adverse parental background;
- ethnic minority, also having one or more of the above characteristics.

By a strange twist in the state's definition, a child does not fit the "special needs" description unless an unsuccessful search for a family that could take the child without a subsidy has already been made.

Changes in state adoption trends and increases in the number of special-needs kids have forced California's public adoption agencies to deal almost exclusively with these hard-to-place children. Brown called the increase in the number of special-needs children needing homes "very substantial."

According to Brown, there is still a lot of debate over the reasons for the increase in the number of special-needs children, but he said that drug and alcohol abuse by parents, which he called a "scourge," is widely held to be chief among them. Brown also said that the increasing numbers of children born to single mothers has added to the problem.

"The radical increase in the number of single women bearing and keeping children, who then attempt to rear those children without adequate family support networks ... has grown tremendously over the last 10 years," Brown said.

In 1970 only 5 percent of public-agency adoptions were of non-healthy children, while by fiscal 1982 this figure had climbed to 28 percent, according to a 1987 study published in *Child Welfare* magazine. With the alarming increase in the number of drug-exposed babies this trend has continued throughout the 1980s.

The number of special-needs children is "growing enormously," says Sharon Selby, an adoptions supervisor with the AASK agency (Aid to Adoption of Special Kids), a non-profit group that deals exclusively with special-needs children. "The whole influx of drug-exposed infants and children has practically doubled every adoption worker's case load," she said.

A similar trend in the age of children in the public system is reflected by Sacramento County. "I would say 95 percent of the children we deal with are over the age of three," says Butch

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Craig Hamley is a California Journal *intern.*

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Gima, a Sacramento County adoptions supervisor. In 1970 the median age of children placed through public agencies in California was 1.9 months, according to state records. Currently the median placement age in public adoption agencies is 4.5 years.

Gima also stated, "Children that come through our adoption agency fit the category of having emotional or psychiatric problems."

In order to help ease the huge burden created by special-needs children, the state has turned to many private, non-profit agencies like AASK. "We place the leftovers that the county and state agencies can't place," says Selby.

These private agencies usually focus on family recruitment, and standards for adoptive families tend to be less strict, allowing older persons, singles, working couples and the physically handicapped to adopt. A 1987 White House task force recommended that public agencies also allow these persons to adopt, but California has not yet completely changed its policy. "There's been a gigantic change of thinking about what a good adoptive family looks like, but this change is not uniform," said Brown. "You are going to find pockets of the old thinking."

According to Brown, the state now realizes that the perfect family cannot always be found. "What we're really doing when we say we want the ideal 'Ozzie and Harriet' family for every child is to relegate that child to permanent foster care while we continue the unsuccessful search," he said.

While California's state and county adoption agencies are being overrun by special-needs children, a strong gray market for young, healthy babies has emerged under the guise of "independent" adoptions. Unlike private and public agencies, independent agencies are not licensed, so they cannot actually place children. Independent adoption agencies cannot obtain licenses because they are in the adoptions market to make money, and California law requires that licensed adoption agencies be non-profit. Instead of actually placing children, independent agencies bring both parties in the adoption process together and aid in completing the necessary legal work — sometimes charging adoptive families exorbitant amounts of money for these services.

Despite their high fees, these agencies are becoming increasingly popular because mothers can receive some compensation and help select their child's adoptive parents.

Another factor that has influenced the number of special-needs children handled by public agencies is the disproportionate number of minority children in the system. According to the *Los Angeles Times*, between July 1987 and June 1988, only 18 percent of children adopted were black, but 30 percent of all children waiting for homes were black.

Private agencies like the Institute For Black Parenting, begun in 1988, have been created to help increase the number of minority families available to adopt.

Although a national survey in the early 1980s found that blacks adopt at more than four times the rate of Anglos, it also found that the black community would have to double this effort in order to meet the needs of all

> "The whole influx of drug-exposed infants and children has practically doubled every adoption worker's case load."
> — Sharon Selby, adoptions supervisor

black children waiting for homes. Prior to 1972 most adoption agencies actively encouraged white families to seek minority children as adoptees in order to compensate for the large number of minority children needing homes. However, in that same year the National Association of Black Social Workers publicly denounced transracial adoptions, calling them "cultural genocide." Since that time, most agencies have only placed children transracially when attempts to find a cultural match have failed.

Current state regulations say that if a cultural match cannot be found within six months the child should be matched with a family regardless of race. However, Brown stated that he knows of some counties that are not following those regulations. "Those counties have in effect made the decision to leave those children in temporary care, rather than find them adoptive homes," he said.

Brown said the state is examining ways to bring these counties, most of which have very high numbers of minority children in foster care, into line, should it become necessary to toughen its stand.

"The reality is that [minority] children do pay the price to some extent for two things. One is our inability to find an adequate number of minority homes, and number two is the qualms that some social workers have regarding making transracial placements," Brown said.

Critics of the state's policy of waiting to find cultural matches for children in foster care have charged that it is unrealistic and point to evidence that minority children who grow up in white homes are just as socially

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well-adjusted as those who grow up within their own culture. An 18-year study conducted by sociologists Rita Simon of American University and Howard Altstein of the University of Maryland that tracked 386 minority children raised in white homes found them to have a sense of security equal to that of children of the same race raised by their natural parents.

Critics of the California child-welfare system have also charged that the state has created a mess of bureaucratic red tape that is choking the system. Sierra Adoption Services, a private agency that deals almost exclusively with special-needs children, was started through a grass-roots movement begun by an adoptive mother who wanted to avoid the social-services bureaucracy. Bhakti Smith, Sierra's director of outreach and family recruitment, said that the integration of the state foster care and adoptions services would help "streamline the placement of children."

Smith also had complaints about California's listing books for children that are currently waiting for homes. While most states' books have sharp, clear pictures of the children, along with standardized, typed descriptions of each child a look at California's books revealed that they are made from photocopies that make the children's pictures hard or impossible to see, and the descriptive forms used in the books varied from county to county and were hand-written in many cases, making it even more difficult or impossible to read about the child.

Gail Johnson, Sierra's executive director, took her complaints a step further, stating "The leadership in the Department of Social Services should be changed."

"What the state does is band-aid after the fact rather than deal with the root of the problem ... that there isn't adequate funding for services to children and families," Johnson said.

Both Johnson and Smith said they liked the idea of a statewide data base that would contain all the information about children currently waiting for homes, saying it could be kept more up-to-date than the current system of listing the children in books.

The State Department of Social Services said they are doing everything they can considering the budget restraints they must endure.

A final roadblock to getting kids adopted in California is the natural mother. If the mother continues to show even a minimum of interest in her child, that child cannot be put up for adoption without her permission. Many people upset with the law say that mothers who have no chance of ever providing adequate care for their children are still able to keep them from being placed in permanent homes. Instead, they say, these children are destined to go from one foster home to another, and by the time they are freed up for adoption they are so old it's very hard to find them a permanent home.

Brown stated in reply, "By and large, I don't think that is an accurate statement about the system itself. I think that the changes that were enacted in California law, two years ago now, pretty well have taken care of that issue." He said there are very definite points at which decisions must be made about a child's future, and that children "cannot merely cruise along through the system any longer."

In all the mess that makes up the current adoptions situation in California only one thing is certain — the number of children with special needs is growing at an increasing rate and the state is having an extremely difficult time dealing with the situation.

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BALLOT FRONT

A roundup of statewide initiative proposals. All statutes require 372,178 valid signatures; constitutional amendments require 595,485. In parentheses is the deadline for sponsors to submit signatures to county clerks, and the issue of California Journal *that contains a full explanation of each measure. The full texts of all initiatives may be obtained from the Secretary of State's election division, 1230 J Street, Sacramento CA 95814.*

New in circulation:

STATE ADMINISTERED AUTOMOBILE INSURANCE, AUTOMOBILE CLAIMS COURT — an initiative constitutional amendment, sponsored by Carmen Gonzalez and Angelo Paparella of Los Angeles, Rob Lavis of Oakland, Bill Zimmerman of Topanga Canyon and Proposition 103 author Harvey Rosenfield of Santa Monica. The measure would replace the private auto insurance system with a program administered by the state — if the Insurance Commissioner determines that average private premiums equal or exceed rollback levels mandated by Proposition 103, or that average percentage of vehicles without required insurance exceeds 15 percent. Among other provisions, the measure would also regulate attorney fees in auto accident cases and create an auto claims court to resolve claims up to $15,000 under state-issued insurance. (October 18th)

WORKERS, VACATION — an initiative constitutional amendment, sponsored by Richard Such of Palo Alto, that would require minimum vacation time for specified workers. For instance, workers who work a 40-hour week would be entitled to four weeks vacation in the first effective year, five weeks the second year and six weeks thereafter. It would apply to workers employed by the same employer for two years and meeting five of six other requirements. (October 22nd)

Continuing in circulation:

STATE ADMINISTERED AUTO INSURANCE. AUTO CLAIMS COURT — an initiative constitutional amendment, sponsored by Voter Revolt and its executive committee (including Proposition 103 sponsor Harvey Rosenfield). (July 9th, April 1990 *CJ*)

CHILDREN'S SERVICES. APPROPRIATIONS. SURTAXES — an initiative constitutional amendment, sponsored by Bill Zimmerman of Santa Monica. (July 23rd, April 1990 *CJ*)

TIMBER HARVESTING. FORESTRY PROGRAM. BOND ACT — an initiative statute, sponsored by Wesley Higbie of the Timber Association of California in San Mateo. (July 23rd, April 1990 *CJ*)

FOREST PROTECTION. TIMBER HARVESTING. BOND ACT — an initiative statute, sponsored by Thomas Lippe of San Francisco. (July 26th, April 1990 *CJ*)

PRESIDENTIAL PRIMARY — an initiative statute, sponsored by Democratic Assemblyman Mike Roos of Los Angeles. (July 30th, April 1990 *CJ*)

TRIAL BY JURY, INSTRUCTIONS — an initiative constitutional amendment, sponsored by Marion McEwen and Wayne Nygren of Hayward. (August 13th, May 1990 *CJ*)

ALIEN LAND OWNERSHIP — an initiative constitutional amendment, sponsored by Mark Peters of Glendora. (August 17th, May 1990 *CJ*)

PEST ERADICATION — an initiative statute, sponsored by Democratic state Senator Art Torres and Patricia Prickett of Hacienda Heights. (September 7th, May 1990 *CJ*)

PRIVATE PROPERTY, COMPENSATION FOR PUBLIC USE — an initiative constitutional amendment, sponsored by Thomas Herman of Crescent City. (September 11th, May 1990 *CJ*)

PESTICIDE REGULATION AND APPLICATION — an initiative statute, sponsored by Oscar Singer of Los Angeles. (September 11th, May 1990 *CJ*)

FIREARMS REGULATION — an initiative statute, sponsored by Kevin Patterson of Camino. (September 20th, June 1990 *CJ*)

Qualified for the November 1990 ballot:

PROPOSITION 124: PUBLIC FINANCE — a measure relating to hospital investments placed on the ballot by the Legislature.

PROPOSITION 125: MOTOR VEHICLE FUELS. TAX REVENUES. PUBLIC MASS TRANSIT GUIDEWAYS — a measure relating to gas-tax revenues placed on the ballot by the Legislature.

PROPOSITION 126: ALCOHOL ABUSE AND DRUG EDUCATION ACT — a measure relating to the tax on beer, wine and distilled spirits placed on the ballot by the Legislature.

PROPOSITION 127: PROPERTY TAX. NEW CONSTRUCTION — a measure relating to the property-tax status of earthquake improvements placed on the ballot by the Legislature.

PROPOSITION 128: NATURAL ENVIRONMENT. PUBLIC HEALTH. BONDS — an initiative statute sponsored by Attorney General John Van de Kamp, Democratic Assemblymen Lloyd Connelly of Sacramento and Tom Hayden of Santa Monica, Albert Meyerhoff of the National Resource Defense Council in San Francisco, Michael Piker of Sacramento, Carl Pope of Berkeley and Bob Mulholland of Chico. Known as "Big Green." (February 1990 *CJ*)

PROPOSITION 129: CRIMES. TAXATION. BONDS — an initiative constitutional amendment, sponsored by Attorney General John Van de Kamp and Democratic Assemblyman Johan Klehs. (February 1990 *CJ*)

PROPOSITION 130: FOREST PROTECTION. TIMBER HARVESTING. BOND ACT — an initiative statute sponsored by Robert Bennett Sutherland of Redway and Cecelia Lanman of Arcata and supported by Forests Forever of Ukiah. (February 1990 *CJ*)

PROPOSITION 131: GOVERNMENT OFFICIALS. ETHICS. CAMPAIGN FINANCING — an initiative constitutional amendment and statute sponsored by Attorney General John Van de Kamp, John Phillips of Los Angeles and Mayor Tom McEnery of San Jose. (February 1990 *CJ*)

PROPOSITION 132: MARINE RESOURCES — an initiative constitutional amendment sponsored by GOP Assemblywoman Doris Allen of Cypress. (February 1990 *CJ*)

PROPOSITION 133: DRUG ENFORCEMENT AND PREVENTION. TAXES. PRISON TERMS — an initiative statute sponsored by Lieutenant Governor Leo McCarthy. (February 1990 *CJ*)

PROPOSITION 134: ALCOHOL SURTAX FUND — an initiative constitutional amendment sponsored by Andrew

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McGuire of Sacramento. (February 1990 *CJ*)

PROPOSITION 135: PESTICIDE REGULATION — an initiative statute, sponsored by Joel Nelson of Visalia, Bob Vice of Fall Brook, and Leland Ruth and Dennis Merwin of Sacramento. (April 1990 *CJ*)

PROPOSITION 136: STATE, LOCAL TAXATION — an initiative constitutional amendment, sponsored by Richard Gann of Folsom and by Joel Fox of the Howard Jarvis Taxpayers Association in Granada Hills. (March 1990 *CJ*)

PROPOSITION 137: INITIATIVE AND REFERENDUM PROCESS — an initiative constitutional amendment, sponsored by Joel Fox of the Howard Jarvis Taxpayers Association in Granada Hills. (March 1990 *CJ*)

PROPOSITION 138: FORESTRY PROGRAM. TIMBER HARVESTING. BOND ACT — an initiative statute, sponsored by George Craig of Oakland. (April 1990 *CJ*)

PROPOSITION 139: PRISON INMATE LABOR. TAX CREDIT — an initiative constitutional amendment and statute, sponsored by Governor George Deukmejian. (March 1990 *CJ*)

PROPOSITION 140: TERMS OF OFFICE. LEGISLATORS' RETIREMENT. LEGISLATIVE OPERATING COSTS — an initiative constitutional amendment sponsored by Los Angeles County Supervisor Pete Schabarum, and by J.G. Ford Jr. and Lewis Uhler of Loomis. (March 1990 *CJ*)

Failed to qualify:

GAMING COMMISSION. SPORTS WAGERING — an initiative constitutional amendment and statute sponsored by Democratic Assemblyman Richard Floyd of Gardena. (February 1990 *CJ*)

HEALTH CARE COVERAGE — an initiative constitutional amendment sponsored by the chairman of California 2000, Michael Weinstein of Los Angeles. (March 1990 *CJ*)

TERMS OF OFFICE. PUBLIC OFFICERS RETIREMENT. RESIGNATIONS — an initiative constitutional amendment, sponsored by William Sullivan of San Ramon, Judi Haderer of San Bruno, and Tom Mezger of Yolo. (March 1990 *CJ*)

TERMS OF OFFICE. PUBLIC OFFICERS RETIREMENT. RESIGNATIONS. MISUSE OF PUBLIC FUNDS — an initiative constitutional amendment, sponsored by Lee Phelps of Aptos. (March 1990 *CJ*)

TIMBERLAND ACQUISITION. BOND ACT — an initiative statute, sponsored by Patrick Shannon of Willow Creek. (March 1990 *CJ*)

HOUSE OF COMMONS — an initiative constitutional amendment, sponsored by Eric Jacobson of Los Angeles. (March 1990 *CJ*)

COMMISSION ON CIVILIAN ECONOMY. APPROPRIATION. TAX DEDUCTION — an initiative statute, sponsored by Lila Garrett, Suzanne Marks and Ronald DiNicola of Los Angeles. (March 1990 *CJ*)

CRIMINALIZED DRUG LAWS — an initiative statute, sponsored by Thomas Neece of Redwood Valley. (March 1990 *CJ*)

MARIJUANA — an initiative statute, sponsored by Thomas Neece of Redwood Valley. (March 1990 *CJ*)

REAPPORTIONMENT BY LEGISLATURE; SUPREME COURT. JUDICIAL REVIEW — an initiative statute and constitutional amendment, sponsored by Wade Bruce Lee II of Sacramento. (March 1990 *CJ*)

REAPPORTIONMENT BY LEGISLATURE; SUPREME COURT. JUDICIAL REVIEW — an initiative constitutional amendment, sponsored by Richard Noble of Los Angeles. (March 1990 *CJ*)

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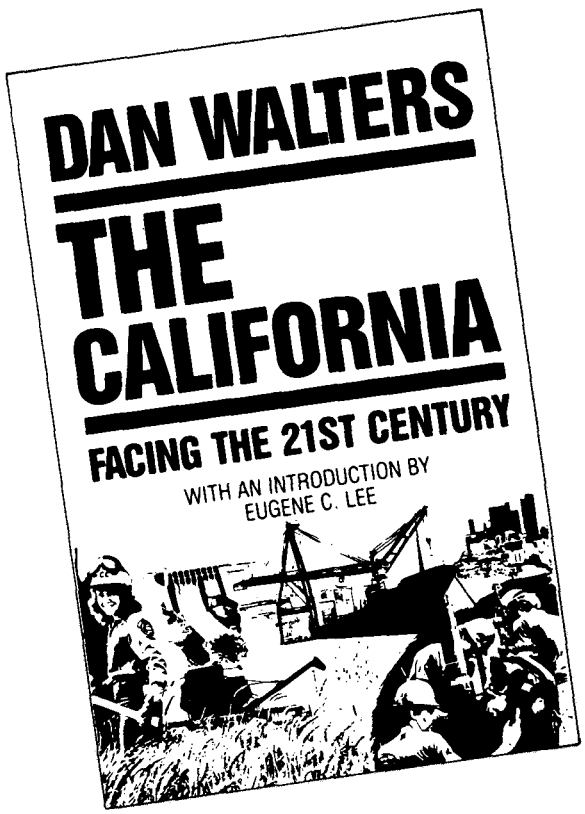

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Stan Statham

The maverick from Modoc

By Charles Price

On Thursday, February 15, 1990, the California Assembly once again took up the volatile issue of gun control — specifically, a 15-day waiting period for the purchase of a rifle. Like all gun-control measures, AB 497 (by Sacramento Democrat Lloyd Connelly) generated strong passions and overheated rhetoric. Bill supporters justified the waiting period as necessary for a security check on a potential buyer. Those deemed a risk would not be allowed to purchase a rifle.

Like all such legislation, Connelly's bill was opposed by the National Rifle Association (NRA) and its legislative allies — Assembly Republicans. Republicans argued that the Second Amendment to the U.S. Constitution guarantees citizens the unrestricted right to bear arms. Democrats, who mostly supported the bill, argued for "reasonable" regulation. With 41 votes needed to pass the measure, it became increasingly obvious during the debate that the final tally was going to be close.

Enter Stan Statham.

Statham, a north state Republican, had always been a reliable supporter of NRA legislation. This time, however, Statham spoke in favor of the bill. Although a gun owner who himself had a permit to carry a concealed weapon, Statham felt AB 497 made sense. He also was convinced that the NRA leadership was out of touch with its own membership on this issue, citing a recent *Time* magazine article which noted that 87 percent of NRA rank-and-file members favor waiting periods. Later, in explaining his critical vote, Statham explained, "We've had the same kind of regulations on handguns for years."

Connelly's bill passed with 42 "aye" votes — 41 Democrats, plus one crucial Republican: Statham. For Connelly, Statham's vote was particularly important because several Democrats felt uneasy about casting the pivotal 41st vote and thus running the risk of further enraging the NRA. Statham's "aye" vote gave those skittish Democrats some breathing room. (Eventually, AB 497 was signed into law by Governor George Deukmejian.)

Statham's vote was as surprising as it was critical, and not simply because he had defied his party's leadership and caucus, which voted to oppose the bill; Statham had done that repeatedly over the years. It was surprising because Statham represents a district where some claim there are more guns than people.

Statham played down his role, pointing out that four other Assembly Republicans switched to "aye" after it was clear that the bill would pass, and that three Republican senators (Rebecca Morgan, Ed Davis and Bill Craven) and Governor Deukmejian were for the bill.

Statham's vote on gun control is one example of a kind of political independence not often found these days among Assembly Republicans. Then again, northeast California has a tradition of electing independent-minded legislators. Consider:

- In 1938 Randolph Collier was first elected as a Republican to the state Senate. From 1942-1958 Collier won the nomination of both parties by the then-legal procedure of cross-filing. In 1962, after cross-filing had been abolished, he switched to the Democratic Party, won its nomination, and captured the GOP nomination as a write-in. In 1966 and 1970 he won reelection as a conservative Democrat in contested elections.
- Pauline Davis replaced her deceased husband as an Assembly member from northeastern California in 1942. For much of her 34-year tenure in the Assembly, Davis was the only woman state legislator and one of the Legislature's most conservative Democrats.
- Republican Ray Johnson defeated Collier in the 1974 state Senate race. Although a staunch conservative, Johnson also had a strong independent streak that sometimes irked Republican Senate leaders. In 1982 Johnson was reapportioned out of his district through the machinations of Republican Senate leaders. He resigned from the party in disgust and in 1984 ran as an independent in a three-way race against Republican John Doolittle and Democrat Jack Hornsby, coming within a few thousand votes of being reelected.

Stan Statham is very much in the Collier-Davis-Johnson mold. As a result, he is less partisan than many of his colleagues and is strongly district-oriented. As an Assembly Republican, Statham is unique in several ways: He never served as a legislative aide, is not an attorney and had never

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Charles Price is a professor of political science at California State University, Chico, and a frequent contributor to California Journal.

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been elected to public office prior to his run for the Assembly.

Statham's background is eclectic. After graduating from Chico High School in 1958 and serving a stint in the Army, he became a "top 40" disc jockey with several radio stations, including stops in Oroville, Chico and Sacramento. He left radio to work for Crocker Bank, eventually working his way up to operations supervisor. While working for the bank, Statham met his future wife, Lovie, who was a teller. Married 25 years, the Sthathams have two children — Devon, 20, and Jennifer, 13.

In the early 1970s Statham switched careers once again, doing commercial promotions for Chico television station KHSL. It was a move that eventually led him to politics, for his promotional work earned him a chance to become the station's local news anchor. As news anchor, Statham became more attuned to politics — a field in which he had only a modest interest. By the mid-'70s, he was travelling to Sacramento weekly to interview various Capitol dignitaries. His growing interest in politics led him to consider running for state legislative office.

In 1976 Statham took the plunge, filing for the Assembly Republican nomination in the First District served by GOP incumbent Pauline Davis, who was retiring. Statham defeated a pair of GOP primary candidates in June and Democratic City Councilwoman Betty Smith of Chico in November. As a television personality, Statham held a big advantage over his less-well-known rivals in both elections. He has not been seriously challenged since that first race, and currently ranks as the sixth most senior member of the Assembly.

Statham is sometimes viewed as a policy lightweight who rode into office on the strength of his television image, a backbencher vote for Republican causes. Over the years, however, his Republican orthodoxy has come into question and the 51-year-old lawmaker has become an Assembly Republican critic of his party's arch-conservative wing.

"I've always had great difficulty dealing with the extreme right-wing or extreme left-wing," said Statham. "I found out one thing: Being in Sacramento meant you had to deal with [Democrats]. They were always trying to bring me over. Just the process of politics has moderated me. For example, on the issue of the environment, when I first came to Sacramento I didn't consider myself an environmentalist. But I do now."

Statham's slide from independence to isolation inside of Republican circles began in 1983-84 when he watched as his friend and mentor, Ray Johnson, was blindsided by Senate Republicans in a reapportionment maneuver meant to favor another arch-conservative — John Doolittle. Statham, bucking Republican leadership, endorsed the independent, Johnson, the only Republican legislator to do so. That isolation was exacerbated in 1984 when Bob Naylor, a moderate from Menlo Park, was ousted as Assembly Republican minority leader and replaced with Pat Nolan, a Southern California conservative. Statham, unhappy with the steady rightward swing of Assembly Republicans, was among those Assembly Republicans who tried to replace Nolan in 1986 but failed by one vote in the caucus.

Statham's conflict with Nolan's leadership came to a head in 1986 when Assemblyman Wally Herger, from the neighboring Third District, announced for Congress, thus opening up a sure-fire Republican Assembly seat. Five Republicans filed for the primary, including Statham's longtime friend and field representative, former sportscaster Ray Narbaitz. He was strongly backed by Statham. Assembly Re-

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publican leaders, who mostly hailed from Southern California, became involved in the primary despite Statham's argument that their activities would be divisive and disruptive. Statham even got Nolan to sign a promise not to intervene in the primary. And although Nolan himself stayed out, his lieutenants threw substantial resources into the campaign of another candidate — attorney Chris Chandler — who defeated Narbaitz in June and won the general election in November.

Statham thinks his own caucus leadership sought to torpedo Narbaitz because they considered him a Statham clone. "I was not the kind of Republican they wanted because I thought issues were more important than politics," Statham said later. "They figured my assistant would be another duplicate of me, and they didn't want another Stan Statham in the Assembly."

Current Assembly Republican minority leader Ross Johnson, who backed Chandler, disagrees. "I didn't give up my constitutional right to support whomever I choose [in the primary] when I became Republican leader. Individual members, including Stan, also endorse and, of course, that is their right as well."

Statham's departure from the party line continued when Nolan was replaced as minority leader by fellow conservative Ross Johnson after the November 1988 elections. The most noticeable example of that independence centered on the "Gang of Five" controversy (see "A crumbling speakership?" *CJ*, April 1988). Nolan had been criticized for not exploiting the revolt of five disgruntled Democrats to Republican advantage. After Johnson became minority leader, however, he decided to cooperate with the "Gang" by supporting one of them — Charles Calderon — for speaker. By adding 33 Republicans to five "gang" votes, Johnson and gang members hoped to convince four or five other conservative, anti-Brown Democrats to sway the speakership election away from Willie Brown and to Calderon. If successful in dumping Brown, Republicans could anticipate being generously rewarded for their efforts.

From the beginning, Statham felt this was ill-advised, if for no other reason than that the conspirators would be hard-pressed to reel in those four or five anti-Brown Democrats. "I just knew they wouldn't be able to do it," he said. "For example, one of the targeted Democrats was Norm Waters, but Norm had received large sums of money from Brown for his reelection campaign. What kind of fool would think that Waters would vote against Brown — a man who had saved his [political] life? The votes were just never there." As a result, Statham refused to go along with Republican leadership on the vote. And, partially as a result of Statham's defection, Brown survived.

Not that Statham voted for Brown. In fact, he maneuvered to place in nomination a third speaker candidate — none other than GOP leader Ross Johnson himself. Thus, Statham and two other Republicans were spared the embarrassment of voting for either Brown or Calderon. But the charges against Statham at the time were more harsh. Party-line Republicans were saying that, no matter what Statham did in public, if push had come to shove, Statham would have preferred Brown to Johnson.

As a man on the outside, how much clout and influence does Statham have in Sacramento? *Sacramento Bee* political columnist Dan Walters describes him as "thrust by political maneuverings to the sidelines where he operates independently but without an insider's political power."

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By Richard Krolak

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Statham disagrees. "You can't spend 14 years here without being an insider of some sort," he said. "I have two things working against me. One is I'm a member of the minority party. The other is I have an independent streak. So, the power I get is that both sides are trying to get me on their side. The good news is that it offers me some political leverage to get what I want for my district. The bad is it puts me under a lot of political pressure."

Statham has crossed GOP Assembly leaders on other issues, and in doing so has complained about what he sees as leadership's "heavy-handed" attempts to keep in line those who follow their own dictates.

For instance, Statham, who is pro-choice, was the first Republican member to announce publicly that he would vote to override a 1989 gubernatorial budget cut for family-planning agencies. Caucus leaders had tried to unite Republicans in support of the governor on the override. Statham, however, rebelled.

"I was convinced that family planning clinics reduce the number of abortions needed, provide good information, fight a lot of diseases," Statham explained. "It's money well spent."

The governor eventually backed down, although it is not clear what part Statham's defection played in Deukmejian's decision.

In another example, Statham backed an AIDS-education bill by Democratic state Senator Gary Hart (SB 2840) that would require seventh through twelfth graders to receive AIDS prevention instruction each year. Republican Assembly leadership wanted AIDS education taught as an option and therefore opposed the bill. Statham claims that GOP leaders tried to strong-arm support for their position — a tactic he says he resisted in caucus meetings by openly declaring his support for the bill. Statham believes his outspokenness helped encourage other Republicans to follow his lead, although the bill failed.

These examples point to what Statham sees as heavy-handed pressure to get all Assembly Republicans to unite on particular issues. "I can't even describe to you how intense it is, although it is starting to lessen somewhat because it's caused so much division on the caucus," he said. "Whenever there's a major tax bill or revenue bonds or ideological measure — such as abortion rights — where one's own moral judgment is at stake, they [Republican leaders] would try to mentally beat up the members of the caucus to keep them in line with the leadership." Leadership wants to maintain unity, says Statham, because it sees a unified front as its only power base.

Minority leader Johnson claims that his only weapons he uses to unite Assembly Republicans are "logic and verbal persuasion."

The main criticism directed against Statham is that he doesn't work very hard (he ranked 45th in "energy" in a March *California Journal* survey of legislators). Statham has authored a limited number of major bills in his 15-year career, but he argues that his lack of productivity is not an accurate reflection of his contribution. He contends that because Democrats have controlled the chamber throughout his Assembly career, chances that a Republican will successfully carry major bills are limited. On several occasions, Statham noted, he has proposed bills which were later hijacked by Democratic members and reintroduced as "their" bills.

Most of Statham's legislation has dealt with local-government matters for his sprawling district. He has, however, carried bills with statewide implications. For example, one piece of his legislation increased the fine for drunk drivers by $50, and over the years it has raised more than $100 million dollars for alcohol-treatment centers. Statham's interest in the issue was prompted by the death of his first field representative, Zoe Ann McCain, in an accident caused by a drunk driver. He has also authored legislation to allow Senior Gleaners to harvest unpicked crops to provide food for senior citizens.

Finally, Statham believes other legislators should follow his example and propose less legislation. He continues to be the main crusader for limiting the number of bills a member may introduce. From Statham's point of view, many bills introduced are duplicates, or are introduced with no serious thought of passage but mainly to placate particular interests, or deal with trivial matters or with foreign policy concerns which have little or no bearing on California state government. He proposes to limit Assembly members to 45 bills and senators to 65 bills per year (with allowances made for authoring additional bills if there is an emergency). Last year, this bill cleared the Assembly but it is bottled up in the Senate.

What are Statham's future plans? If the opportunity arose, he would like to move up to the state Senate where "independents" have freer reign. He discounts a run for Congress because he likes the California lifestyle and does not look forward to being a 51-year-old freshman among 435 House members. Nor do northern rural politicians have much of a chance to be elected to a statewide office. But, Statham is not anxious to leave the Assembly where he feels his seniority provides him with a modicum of influence. The "maverick from Modoc" likes his role as a thorn in the side of arch-conservative Republican leadership.

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Tony Coelho's departure signals new times in water politics

By Michael Doyle

Some new players have sat down at the high-stakes game of California water politics, and one result could be a different batch of winners and losers.

While once-major players like former California Congressman Tony Coelho, a Merced Democrat, have stepped away from the table, newcomers like Democratic U.S. Senator Bill Bradley of New Jersey have taken a seat and shown they mean business. The shift in the balance of power may already be evident.

In play is the limited supply of water available through federal irrigation projects -- particularly the series of dams, canals and pumping stations that stretch nearly from Redding to Bakersfield and are collectively known as the Central Valley Project. The question is: Who, or what, will claim the largest share of the pot, and for what price?

Though a familiar question in the abstract, this issue of resource allocation now assumes greater urgency. Long-term irrigation contracts that were first written when Dwight Eisenhower was president are about to expire in the southern San Joaquin Valley. At the same time, the state's fourth straight year of drought is casting in stark relief the inherent limitations in the state's water supply.

And with the federal budget deficit more crushing than ever, subsidies of all kinds are increasingly tempting targets for Congress.

Environmentalists and strategically placed lawmakers see this as an historic opportunity to reform water use. Some of the nine million acre-feet of water now provided by the Central Valley Project could be redirected to national wildlife refuges, wetlands and rivers, these reformers believe. And, the reform crowd says, the annual federal irrigation subsidy that amounts to about $135 million annually just for Central Valley Project customers could be slashed by tightening apparent loopholes.

The rhetoric in the emerging debate assumes apocalyptic levels.

"A handful of people in the Central Valley of California just can't get their face out of the federal trough," thundered Congressman George Miller, a Martinez Democrat, this past June.

"His method of catching the crook

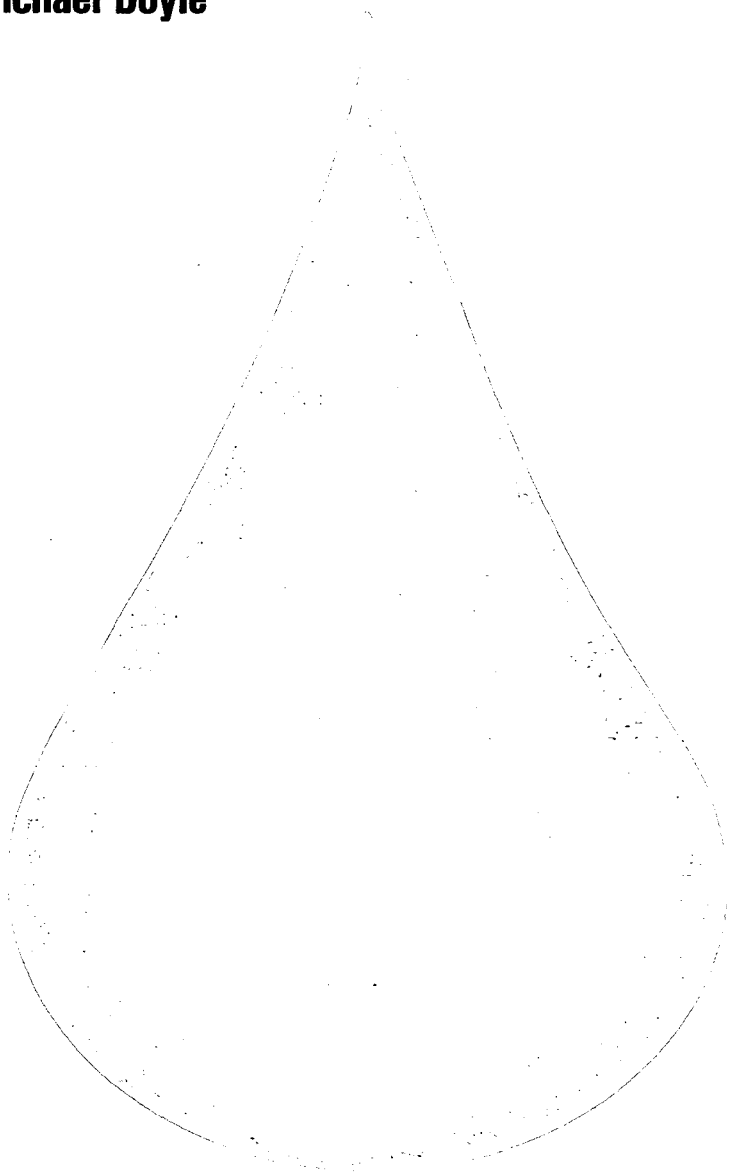

Illustration by Renee Ravizza

Michael Doyle is a reporter in the Washington D.C. bureau of McClatchy Newspapers.

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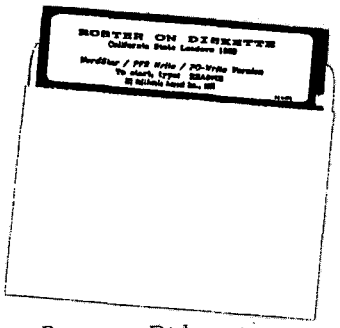

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is to spray the crowd with bullets," replied Richard Lehman, a Democrat from Sanger.

Not so long ago, savvy insiders like Coelho, who had risen to the post of majority whip, and former Department of the Interior lawyer Ralph Tarr, a Fresno water lawyer, would have been sitting at the table with Miller and other reformers. Their absence is a part of what's changed in the water game.

Coelho's absence, in particular, was felt strongly in mid-June, when the House of Representatives overwhelmingly approved a package of reforms to federal irrigation policy. Still to be considered by the Senate, the reforms would force farmers to choose between receiving crop and water subsidies, and would strictly limit the receipt of subsidized water to land holdings smaller than 960 acres.

Congress originally authorized subsidized irrigation water as a way to encourage development of the arid west. The subsidy doesn't come in the form of a check, but in water rates that are lower than the government's true cost of building the water projects. Although a 1982 law limited the cheap water to farms smaller than 960 acres, the rules have allowed much larger farms to be reorganized into a web of trusts and corporations and still remain eligible for the subsidies.

The reform passed by the House in June is targeted at operations such as the 23,238-acre J.G. Boswell Ranch in Kings and Fresno counties. By selling the ranch to a trust established for 326 company employees, Boswell kept the land eligible for about $2 million a year in subsidized water. At the same time, Boswell is able to earn about $1 million a year for managing the ranch as one unit.

"At a time when we have budget limits and we cannot find $150 million to feed newborn infants to keep them from being mentally retarded, but somehow we can still lavish subsidies on large corporations and agribusiness entities, something is terribly wrong in America," Miller said.

Miller's reform will force all farming operations to pay full cost for water provided to more than 960 acres, no matter how the land is divided on paper. A second reform will force farmers that grow such commodities as cotton, rice, corn and wheat to pay full cost for their irrigation water if they are simultaneously receiving federal crop subsidies. About one-third of the three million acres served by the Central Valley Project is planted with these so-called surplus crops, although not all of the farmers growing these crops are enrolled in federal crop subsidy programs. The reform's intent is to quell the apparent contradiction of using cheap water rates to encourage the production of crops that the government already has in surplus.

"This program is worse than the most expensive and failed five-year plan of the Soviets," said Connecticut's Democratic Congressman Sam Gejdenson.

Coelho might not have been able to stop these reforms, which the House approved by more than a three-to-one margin. However, he surely would have recognized the political momentum behind them and pushed for compromise. As it was, the Central Valley's remaining lawmakers united in their opposition to the reforms but were brushed aside by the rest of the House.

"You can't overestimate the significance of Tony's absence," said Bob Will, a longtime lobbyist for western water interests in Washington D.C.

Son of a Portuguese dairy family based in western Merced County, and for 11 years a congressman from the central San Joaquin Valley, Coelho knew water issues from the ground up. Politically, that knowledge was imperative since his congressional district included part of the nation's largest irrigation district — the cotton-rich, 600,000-acre Westlands Water District. Coelho relished his reputation for hardball politics, and as third-ranking Democrat in the House of Representatives, he could deal from strength.

Coelho and Miller were well-matched opposing numbers: personally friendly and respectful, but politically far apart on western water issues. With Coelho now pulling down a handsome salary as a Wall Street investment banker, after his abrupt resignation in the face of financial ethics questions in June 1989, no one Central Valley lawmaker has filled his shoes.

Vic Fazio, a Democrat from West Sacramento, is well respected by his colleagues and knows water issues through his seat on the House Energy and Water Appropriations Subcommittee, but his focus is not on the water-guzzling farms of the southern San Joaquin Valley. Fresno Republican Charles "Chip" Pashayan does not command long coattails in the House, although his minority position on the

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House Rules Committee gives him some ability to temporarily delay legislation.

Coelho's direct successor, Ceres Democrat Gary Condit, is just finishing his first year in Congress and has not yet fully shown what kind of role he intends to play on water issues. Sanger Democrat Richard Lehman, meanwhile, tries to walk a tenuous balance between environmental protection and defense of the status quo.

> "The cast of characters has changed. You have a different generation of people dealing with these issues." — George Miller Jr.

"The cast of characters has changed," Miller observed. "You have a different generation of people dealing with these issues."

Miller sits at the head of the table now. As chairman of the Water, Power and Offshore Energy Resources Subcommittee of the House Interior and Insular Affairs Committee, he is in the best possible position to push his reform agenda. His zeal in pushing this agenda has not endeared him to all in California.

"We're mad as hell at Miller," said Jason Peltier, director of the Central Valley Project Water Users Association. "We're scared to death of George, because he's on a roll [and] he feels no need to sit down and make a deal."

Miller, it must be remembered, is also next in line to take over chairmanship of the full House interior committee when current chairman, Arizona Democrat Morris Udall, steps down.

Less well known than either Coelho or Miller, Ralph Tarr was in his time no less important to western water issues. The Phi Beta Kappa graduate of Dartmouth College served from 1985 to 1989 as the Interior Department's solicitor, where he wrote the legal opinions underpinning administration water policy. Formerly a partner in a Fresno-based law firm that represented San Joaquin Valley water users, Tarr notably wrote the 1988 opinion asserting that the federal government had no choice but to renew 40-year water contracts for the same length of time and same quantity of water.

This opinion subsequently led Interior Secretary Manuel Lujan to renew the first of the 40-year contracts for irrigation districts served by the Friant Dam east of Fresno. This contract renewal, penned without benefit of environmental studies, is now being legally challenged by the Natural Resources Defense Council in federal court.

A lightning rod for environmentalist criticism while he was at Interior, Tarr has since entered private practice with a Southern California firm. New solicitor Tom Sansonetti has so far earned praise from some of the same Capitol Hill staffers who once lambasted Tarr for his allegedly pro-agribusiness rulings.

The Interior Department's chief, meanwhile, has tentatively put forward his own interest in water-policy reform. Lujan is no revolutionary, but he's allowed that he was personally uncomfortable with the 23,238-acre Boswell trust. After some stumbling, moreover, Lujan put forth the idea that full-fledged environmental studies should be done in the San Joaquin River Basin as part of the renewal of long-term water contracts. He didn't make the contracts contingent upon the studies, as environmentalists wanted, but he went further than originally planned.

Watching Lujan's actions carefully has been Bill Bradley, who chairs the U.S. Senate's Water and Power Subcommittee. In the past 18 months, Bradley has shown an increasing interest in western water and has put in place an aggressive staff that wants to make things happen. This is significant because of how Bradley works. The former Rhodes scholar is known for choosing problems of both depth and complexity, such as tax reform or Third-World debt, and then boring in for answers that are free of preconceptions. Bradley may also have his own reasons for tackling a western issue; he is, after all, an East Coast lawmaker with presumed presidential aspirations.

Bradley has already inserted himself into the policy wrangling with several pieces of legislation introduced this spring. Like Miller, Bradley wants to restrict the ability of farmers to split their land into trusts in order to obtain subsidized water.

Bradley has also introduced a wide-ranging bill that — although less specific than Miller's comparable measure — would redirect some Central Valley water toward preservation of fish and wildlife. He would specifically do this by guaranteeing annual water supplies to the national wildlife refuges in the Central Valley — refuges that currently may have their water slowed to a relative trickle in slow years.

With lawmakers like Bill Bradley and George Miller pushing their reform agenda, and Interior Secretary Lujan voicing moderate reformist sentiment, can there be any doubt that the water game has changed? And with Tony Coelho on Wall Street instead of on Capitol Hill, Central Valley farm interests may have to learn to get along without the level of federal largesse enjoyed in the past.

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WASHINGTON PERSPECTIVE

By LARRY LIEBERT

Lip spin

The most important duty of a modern political media manipulator is to get his client on the television tube, kissing babies or visiting a flag factory while delivering the best of news. But a second, sometimes overlooked, duty is to keep the client out of sight when potentially controversial news has to be broken.

THUS IT WAS THAT THE WHITE HOUSE image-makers kept President George Bush safely ensconced in the Oval Office on June 26th while his press office churned out statements in his name on two very touchy topics. In effect, the Bush administration used the day to clear its in-box of lingering promises from the 1988 campaign.

The most dramatic, and nationally significant, announcement was Bush's matter-of-fact concession that "tax revenue increases" would have to be part of any package to get a handle on the federal deficit, which had once again spun dizzily out of control. In this case, the White House evidently overestimated the efficacy of low-balling such a bombshell. The reaction was anything but matter-of-fact because Bush had casually disavowed the central promise that won him the White House — "Read my lips: No new taxes."

The derision that greeted the president's about-face was captured by the *New York Post's* tabloid headline: "Read my lips: I lied." Others were more generous. Even some Democrats credited Bush for doing the right thing as president, although few could resist gloating that time had proven his campaign pledge demagogic.

The president evidently was prodded into action on taxes by his sense of duty in the face of a deteriorating economy — and by the political realization that his re-election in 1992 could be endangered by a slow slide into recession.

Polls have long shown that voters doubted Bush would keep his "no new taxes" pledge anyway. But the slogan had contributed to a successful Republican image of parsimony with tax dollars — a sense that the GOP would sock it to taxpayers only as a last resort.

That's why Bush's "some new taxes" reversal sent a shiver through the party's 1990 candidates, including Senator Pete Wilson. Wilson's campaign for California governor was designed around the theme that he could be counted on to raise taxes less (or at least less enthusiastically) than would Democrat Dianne Feinstein.

Wilson fared much better when it came to Bush's other June 26th announcement-by-press release. The president has delayed oil and gas drilling off of most of the California coast for 10 years — at least partially keeping his campaign promise to protect "environmentally sensitive" areas of the coastline.

Although Bush did not make himself available to explain his decision (on a topic that has always seemed awkward for the former Texas oilman), Interior Secretary Manuel Lujan did face the press. Asked if politics played a part in Bush's decision, Lujan gave a wry smile and adopted a tone of mock-umbrage. "Certainly not," he playfully harrumphed.

Wilson, who has long opposed oil drilling off the coast, was less coy in evaluating the White House motives. "I don't think they're indifferent to who becomes governor of California," he said appreciatively. The senator praised the president for his "environmental decision" and attempted to co-opt any further debate by proclaiming that any questions about the adequacy of the move would be "small-minded and petty."

Nonetheless, environmentalists said the president did not go far enough, and Feinstein agreed. "A temporary solution is not enough," she said. "It simply delays a difficult decision in the face of mounting political pressure. And it will not protect our coast from a new administration, a new attitude or an assault by the oil industry."

"What President Bush has given us is a decade of delay," said Democratic Senator Alan Cranston, reclaiming his vehement anti-drilling position after a seemingly befuddled comment previously that some drilling off of Southern California could be acceptable.

The policy rationale for a decade of delay was the recommendation by a task force of Bush's political appointees that more study is needed of the environmental and social effects of drilling. That conclusion, in turn, was urged upon the task force by a panel from the National Academy of Sciences.

But Bush's decision was rich in political implications. Choosing a 10-year delay for new drilling along most of California's coast — along with Florida, Oregon, Washington and the Georges Bank off of the Northeast — permitted the administration to grandly proclaim that there would be no new oil and gas leasing in those areas "until after the year 2000." That has an epochal ring because most Americans tend to forget that a new century is not really that far off.

AT THE SAME TIME, BUSH PROMISED a permanent ban on drilling in Monterey Bay's marine sanctuary. As expected, this delighted Democratic Representative Leon Panetta of Carmel, the influential head of the House Budget Committee and the California congressional delegation's leading spokesman on offshore drilling.

Finally, Bush offered only a six-year moratorium for a stretch of the California coast from Morro Bay to Ventura, under the rationale that new drilling there would be near long-established rigs in the Santa Barbara Channel. A six-year delay just happens to have the political virtue of putting off action until after the end of a second Bush term.

Larry Liebert is Washington bureau chief for the San Francisco Chronicle.

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SUCCESS STORIES

MEET RICHARD CONTRERAS

Richard Contreras suffered more than the usual growing pains in his teenage years. There were severe family problems; he was failing in school and getting into more trouble after school. He finally dropped out of Channel Islands High School in the tenth grade, went out on his own and found full-time employment with a furniture moving company.

During these chaotic years only one area of Richard's life remained in focus—his love and talent for art. In school he drew pictures when he should have been studying. As a furniture mover he completed countless sketches of roadside scenes and California landscapes.

A back injury brought his days as a furniture mover to an end. This blessing-in-disguise eventually led to his G.E.D. and his enrollment in the Graphic Design Program at Sawyer College in Ventura. While a student there, he learned specialized techniques and the presentation skills he needed to be employable as a Graphic Designer.

Six months later Richard graduated from Sawyer College at the head of his class. He is now happily employed as a full-time Graphic Designer for States Plastics in Oxnard. Richard Contreras is a Success Story.

MEET NANCY WILSON

Nancy Wilson is a nineteen-year-old single mother of two. She realized the need for a good job in order to take care of her children. Unable to afford the cost of college, she decided to enroll in Lawson School in order to obtain marketable job skills.

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Today, Nancy is the secretary for Levine & Company. Even though this is her first job ever, she is very excited about her future. Nancy can now provide her children with a comfortable life. She encourages more single mothers to do the same.

Nancy Wilson is a Success Story.

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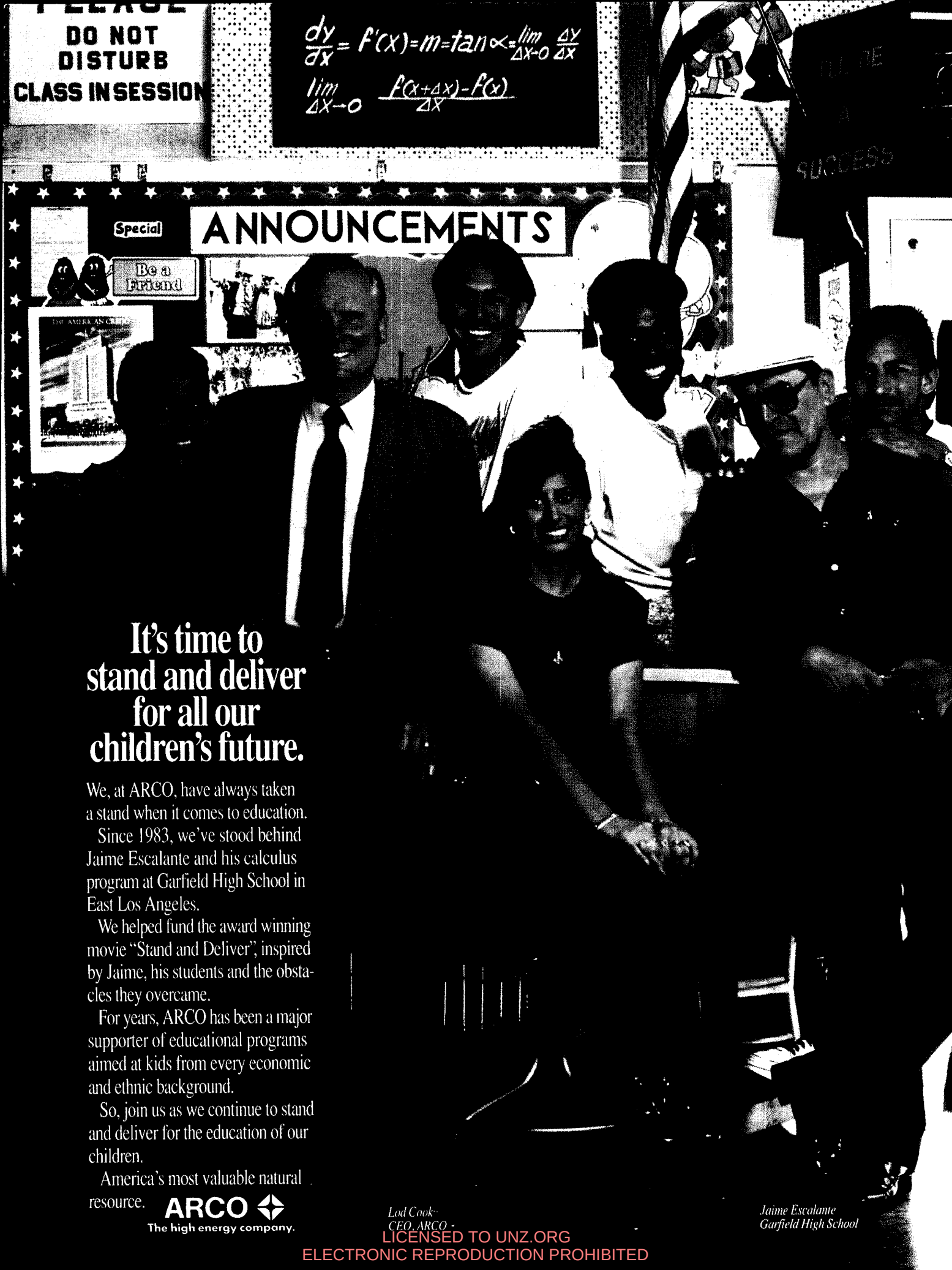

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